County of Loudoun

Department of Planning

MEMORANDUM

DATE: May 30, 2007

TO: Loudoun County Planning Commission

FROM: Cindy Keegan, AICP, Project Manager
CPAM 2007-0001, Housing Policies
CKeegan

SUBJECT: **Information for June 4, 2007 Worksession**

In preparation for the upcoming Worksession on June 4th, several documents are being forwarded to the Commission for information and review. These documents include:

Attachment 1: Responses to Planning Commission Questions/Requests, *(pg. A-1)*
Attachment 2: Public Comment Received, May 14th Public Input Session, *(pg. A-93)*
Attachment 3: Recent published literature on Affordable Housing NOT AVAILABLE ELECTRONICALLY
Attachment 4: CPAM 2007-0001, Housing Policies Matrix, *(pg. A-137).*

Staff notes that some responses to Commission questions are not yet available. These responses will be provided to the Commission at the Worksession. The draft policies matrix has been developed as a tool from which the Commission can begin the plan amendment discussions. Staff comments have been included in the matrix for the Commission's consideration. Members of the Housing Advisory Board and County staff will be in attendance at the Worksession to provide technical assistance to the Commission.

CPAM 2007-0001, HOUSING POLICIES
Response to Planning Commission Requests/Questions
June 4, 2007 Planning Commission Worksession

PLANNING COMMISSION REQUESTS/QUESTIONS (May 7, 2007 and May 14, 2007)	**RESPONSE**
1. How was the unmet housing need range of 0% to 100% determined? Are there gaps (shortages) above 100%?	***The Housing Advisory Board (HAB) focused on developing information critical to reaching a general understanding of the County's current and projected housing situation, so that appropriate programs can be developed to address the County's affordable housing needs. The HAB contracted with AECOM Consult to develop the data necessary to identify the County's rental and for-sale housing supply and shortages at prescribed income levels. The data also describes the worker in-commuting pattern and the housing need of those workers. AECOM, after distributing households at 10% income increments up to 125% AMI and greater, reviewing the cost and supply of available rental and for-sale units, shows that the deficits occur predominantly in both rental and for-sale options at less than 100% AMI. (See AECOM Report, Question 3, pp. A45 to A56 of the May 2, 2007 Staff Report).***
2. How does increased density provide housing diversity? Can the policy clarify how affordability is provided with diverse housing types? How is diversity defined?	***By providing for more housing units per acre, generally the property-owner has more options to consider in the types of housing to produce (recognizing that the regulation must also support a variety of housing types). By encouraging a variety of housing types, the cost of the housing should be varied also to support a diversity of incomes. The market will certainly have the greatest impact on the types of housing that will be produced. Given the high cost of land, by allowing more units per acre, the per unit cost should proportionately be reduced. Diversity can be defined as variety recognizing that a variety of household incomes and types (young professionals, childless couples, empty nesters, single parents, families of any size) have a variety of housing needs. AECOM and Census data show that a future deficit in housing supply will be in multi-family units which are generally associated with higher densities and lower costs. (See pp. A42 of the May 2, 2007 Staff Report) Generally, households with incomes below 50% AMI are not likely to qualify for home purchase loans and will rent housing. (The National Multi Housing Council, in conjunction with the Urban Land Institute and the Sierra Club has produced a presentation entitled "Re-thinking Density" and has offered to provide it to the Commission if desired.)***
3. What are the success stories from other places? What is the County lacking?	***There are some general principles for success in addressing a jurisdiction's unmet housing needs that can be gleaned from the many programs throughout the Country to include:*** ▪ ***Using numerous approaches and constantly adjusting them to reflect market conditions*** ▪ ***Using public policies, programs and land to leverage private investment*** ▪ ***Creating public/private partnerships*** ▪ ***Supporting mixed-income communities including market rate units when possible***

	▪ ***Providing homeownership opportunities and home buyer education*** ▪ ***Promoting good design to integrate within existing communities*** ▪ ***Linking affordable housing production to new development with inclusionary zoning*** ▪ ***Preserving existing affordable housing*** ***(Attachment 1-H is a sample of best practices entitled "Toolkit for Affordable Housing Development" prepared by the Washington Area Housing Partnership (WAHP). The policy revisions have been drafted considering the need for a broad-based, multiple program approach. Whereas significant funds have been identified to consolidate into Housing Trust Fund, the County lacks a sustainable revenue source for the long term.***
4. How is the Down Payment and Closing Cost program set up?	***The County's Down Payment and Closing Cost (DPCC) program, created in February 1995 at the urging of the Affordable Dwelling Unit Advisory Board (ADUAB), provides gap financing for qualified first time homebuyers purchasing either an ADU or an existing home. Funding for the program has been provided by affordable housing proffers. It has been a successful program, assisting approximately 200 homebuyers in the purchase of their first homes, primarily ADU purchasers. Purchasers pay a $200 servicing fee, put up at least $1000 towards home purchase, can borrow up to $10,000 at 3% to cover closing costs and down payments, and are required to participate in a homebuyers education program. The DPCC program has become less useful to homebuyers given the change in lending products since 1998. On April 3, 2007, the Board of Supervisors asked the Joint Trust Fund Committee (made up of ADUAB, HAB, and Industrial Development Authority (IDA) members) to evaluate the program, recommend changes to it so it can be a more responsive loan program given current market trends, and develop specialized products to the workforce.***
5. How does the trust fund work?	***The Joint Trust Fund Committee has identified available affordable housing funds and the limitations on their use. (Attachment 1-G). On April 3, 2007, the Board asked the HAB and ADUAB to work together to consolidate available housing funds into the County of Loudoun Housing Trust to allow more opportunity to leverage Federal, State, and private funds and simplify and make more efficient their accounting and administration. (Up to now, the funds have been limited and used predominantly to fund the DPCC program.) The Board also asked that funding priorities; a dispersal process that includes establishing an oversight advisory committee; a universal application coordinated with other County funding programs; and an annual program process be drafted for its consideration. The Joint Trust Fund Committee is considering a variety of fund priorities to include retention/creation of rental and for-sale affordable housing; housing rehabilitation; accessibility improvements; homeownership; land banking; and reduction of development costs.***
6. Does the ADU bonus density work?	***Article VII of the Zoning Ordinance allows both by-right and legislative applications that provide Affordable***

	Dwelling Units (ADUs) to receive a bonus density in order to help the developer recover the costs of providing ADUs. The bonus density applies to the maximum density of the applicable zoning district as well as the upper density limits established in the Revised General Plan. For single family detached and attached developments, a 20% bonus density is allowed when 12.5% of the total units are developed as ADUs. For multifamily developments, a 10% bonus density is allowed when 6.25% of the total units are developed as ADUs. ***Since Article VII was first adopted, developers have rarely received approval of rezoning applications that exceed the maximum density permitted by the Revised General Plan, even for the purpose of providing ADUs. Typically, the bonus density has been used in certain parts of the County where lower densities are envisioned (for example, to achieve a density of 2.4 du/acre in the Lower Foley subarea rather than the 2 du/acre that would otherwise be supported). Additionally, by-right applications typically do not achieve the permitted bonus density because of site constraints that limit development potential.***
7. What tools are currently available? Based on literature/research, what are incentives for the market to create affordability?	***Local governments can provide a variety of market incentives to encourage developers to provide affordable housing that goes beyond the requirements of the Affordable Dwelling Unit (ADU) Ordinance. These typically include the following, some of which are already implemented in Loudoun County.*** ***1. Bonus Density: Local governments can allow a density bonus above what is normally permitted on a site in exchange for the provision of some below-market rate housing units. In Loudoun County, the bonus density/ADU ratio is currently set at 20% bonus density/12.5% ADUs (single family attached and detached units) and 10% bonus density/6.25% ADUs (multifamily units). However, as discussed above, few developers in Loudoun County have historically taken advantage of the bonus density provisions.*** ***2. Waivers or Modifications of Other Zoning Requirements: One of the most basic approaches to making housing more affordable is to lower the costs of producing it. A reduction in the land required for construction, shorter or no setbacks, reduced open space requirements, and flexible parking requirements increases project density and decreases development costs, the savings of which can be passed on to consumers. In Loudoun County, the Zoning Ordinance currently allows projects that provide ADUs to reduce their minimum lot sizes, setbacks, yards and lot widths.*** ***3. Fee Waivers: Eliminating or reducing development fees for affordable housing projects can encourage residential developers to build affordable housing and, if the savings are passed on to the buyers or renters, can reduce the actual cost of housing. Loudoun County has a well-established policy of not charging capital facilities for Affordable Dwelling Units (ADUs). This could be expanded to include a similar capital facilities exemption for lower cost housing (e.g., dwellings that are "affordable" but not considered to be ADUs). Additionally, fees for rezoning and by-right applications could be eliminated or reduced when a project includes an affordable housing component.***

	4. Expedited Development Review of Affordable Housing Applications: ***The adage that time is money is applicable to the field of residential construction. Reducing the costs incurred by developers during the development review process by fast tracking affordable housing applications makes building affordable houses more attractive as a land development option.*** ***5. Local Tax Abatements:*** ***Property tax exemptions could be provided to non-profit and for-profit property owners who make upgrades to their properties. Properties would be assessed at the pre-improvement level for a certain number of years, and thus be subject to lower tax. In return, the property owner would be required to keep some or all of the units affordable to renters at or below 60 percent of area median income. For example, Fairfax County has a preservation tax abatement incentive for owners of older (at least 20 years old) multifamily rental properties. Under this incentive, the tax increase on improvements that raise the property value by at least 25% will be abated for 10 years as long as the rental apartments remain affordable.***
8. Are small units marketable? How could they be promoted (both apartments and small lots/small houses)? What would need to be in place to facilitate their development?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
9. How has housing size changed in the County since 1980? What has the increase in house size been and how does that affect affordability?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
10. What is the Loudoun- specific average income?	***In 2006, the Loudoun County median household income was $98,483 and the Loudoun County Median Family Income was $113,022. These measures do not include workers that commute from outside the County to jobs in the County. A regional measurement such as Area Median Income (AMI) captures those incomes.***
11. Is it possible to provide in-home care for the elderly (for those without a family-structure) (reference retirement housing CPAM research. Update on this issue.)	***The County operated a housing match program called "Operation Match" over several years. The program enjoyed modest success. It is currently being evaluated for effectiveness and sustainability. Concerns identified with the program include the difficulty in assuring a suitable match between clients seeking home-share services and the home-owner as well as potential liability issues.***
12. Which polices are urgent? How can the policies be prioritized since words such as "encourage, support, promote" are used rather than more definitive directive language? Is this a vision of where the County should be are where it is? (Example, the policy should state that public land be used rather than inventoried.)	***As evidenced by the principles of best practices, having a variety of approaches is essential since many options should be available for the variety of housing needs facing Loudoun's citizens and workers. For this reason, it would be difficult to prioritize the policies. The use of encourage and promote versus more directive language is at the option of the Planning Commission. The housing polices will provide guidance for program development and in the review of private sector proposals, but is not regulatory.***

13. Are the policies implementable and is there an implementation plan? What programs will be developed from these policies?	***On April 3, 2007, the Board initiated an integrated, two part strategy to further the County's affordable housing program as follows:*** ***(1) <u>Initiation of a Housing Policy Plan Amendment (CPAM)</u>*** ***The Board initiated the CPAM to consider the revision of the County's housing policies to clarify the policy framework for guiding program development and fund disbursement. Highlights of the proposed policy amendments include providing a focus on the continuum of housing need for households with incomes from 0% to 100% of the Washington AMI which would enable the County to expand the beneficiaries of housing programs. Policy changes also call for different program approaches, that include, for example, home-ownership loans and non-cash supply incentives for incomes from 70% to 100% AMI; a combination of public and private financial programs and regulations (i.e., Affordable Dwelling Unit (ADU) Ordinance) for incomes from 30% to 70% AMI; and public and private partnerships to support housing for incomes from 0% to 30%.*** ***(2) <u>Consolidation of Existing Funds to Support a Variety of Programs</u>*** ***The Board initiated the consolidation of available housing funds into the County of Loudoun Housing Trust. Central to fund consolidation is the revision of the County of Loudoun Housing Trust agreement to address the broad range of need from 0% to 100% AMI. The original source of most of the funds is from affordable housing proffers, the "cash in lieu" provisions of the ADU Ordinance, and recent sales of ADU rentals converted to condominiums. By broadening the beneficiaries of the Trust, a variety of programs could be supported, such as development of affordable rental housing; the provision of accessibility grants for the mobility impaired to enable them stay in their homes; home improvement loans for neighborhood revitalization; closing costs for critical service workers that are hard to hire due to the lack of affordable housing; and community infrastructure grants to provide indoor plumbing or connections to public facilities.*** ***Specific actions required to consolidate housing funds include:*** ▪ ***Reform the Belmont Ridge Affordable Housing Trust and transfer funds to the consolidated fund.*** ▪ ***Amend the County of Loudoun Housing Trust agreement, expanding its guidelines to support a broader set of programs so the fund can be used as the consolidated fund.*** ▪ ***Transfer proffered funds to the consolidated fund upon Zoning Administrator determination.***

	▪ *Establish funding priorities and a fund dispersal process.* ▪ *Transfer the Housing Fund to the consolidated fund.* *Specific actions associated with existing programs include:* ▪ *Develop a community outreach program to explain housing programs to the community.* ▪ *Establish a program to purchase ADUs that are being foreclosed.* ▪ *Establish ancillary ADU support programs.* ▪ *Revise the Down Payment and Closing Cost Assistance Program to be more responsive by changing the amount available, eligibility criteria, and the income levels addressed and include a closing cost program which targets public employees.* ▪ *Retain funding for the Eastern Loudoun Revitalization Program to keep it operational while revising the program to leverage bank support.*
14. How can the County help the family who wrote about displacement and affordability?	*The Loudoun County Department of Family Services provides services to help residents in need become self-sufficient members of their families and communities to include: arranging for child care, foster care and adoptions; coordinating programs to help elderly residents with shopping, transportation and housework; investigating cases of abuse and neglect; conducting family counseling; providing nutritional and financial assistance to low-income families; and, offering community employment and training services. The Department of Mental Health/Mental Retardation/Substance Abuse Services (MH/MR/SAS) provides services to mentally disabled Loudoun County residents, including mental health/substance abuse outpatient, emergency services, mental retardation case management, job coaching, adult foster care and early intervention programs, residential services and outreach in all three disability areas. The letter received from the family in Purcellville has been forwarded to the Department of Family Services and the Department of MH/MR/SS for action.*
15. Should Policy #1 include the full gamut of need rather than just workers' need?	*In 2006, the Loudoun County median household income was $98,483 and the Loudoun County Median Family Income was $113,022. These measures do not include workers that commute from outside the County to jobs in the County. A regional measurement such as Area Median Income (AMI) captures those incomes.*
16. Should there be annual production goal and what should they be?	*Question 3 of the AECOM study provides an approach to determining an affordable housing production goal.*

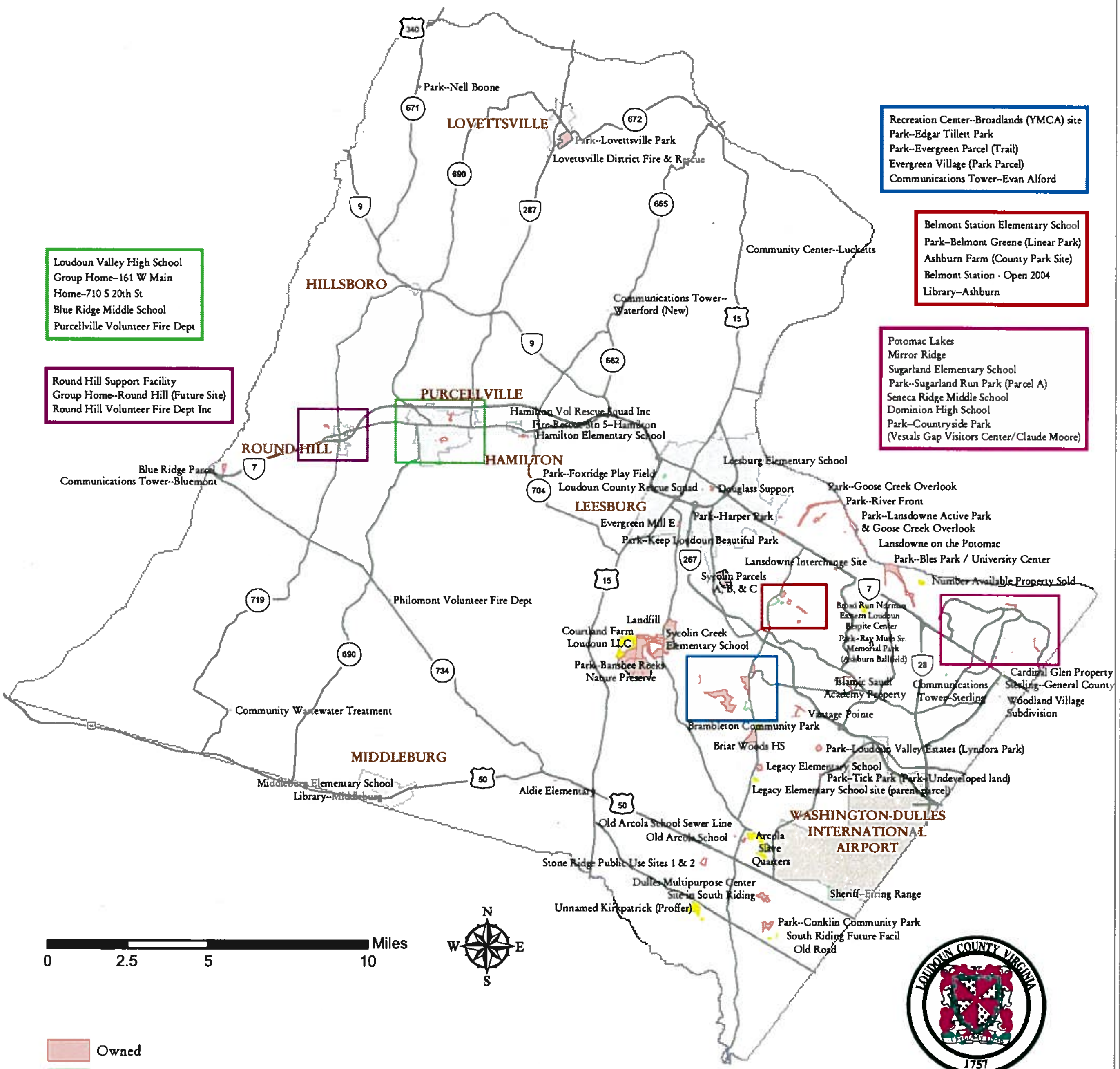
	(See pp. A55 to A56 of the May 2, 2007 Staff Report.) It is important to be able to measure the success of any program and to ensure its regular review and alteration as needed.
17. Should a broader approach to state enabling legislation to address unmet housing need be initiated? (For example, require workforce housing)	*See response to Question 7 above.*
18. How will policies affect rural area?	*Response to be provided to the Planning Commission at the June 4, 2007 Worksession.*
19. How would affordable housing built on public land be integrated in neighborhoods?	*Response to be provided to the Planning Commission at the June 4, 2007 Worksession.*
20. Is financial assistance to Towns really an option?	*The County currently offers financial assistance through the Community Development Block Grant (CDBG) program. Both Leesburg and Purcellville have received funding for projects. The Town of Leesburg is currently drafting an ADU program that the County is considering administering on the Town's behalf. The County and Town are also considering placing the "cash-in-lieu" funds that may be generated from the Leesburg program into the County's Housing Trust for use on Leesburg specific projects. This approach could work for other towns as well.*
21. How much usable public land is out there? Where is it? What is it zoned? What could it yield?	*Staff is currently reviewing its inventory of vacant, County-owned parcels for future planned uses. A list of parcels that are not planned for future programming by County Agencies is not available at this time. For the Commission's information the following maps are attached (Attachment 1-A): Vacant Land Owned or Leased by Loudoun County, 2006; Loudoun County Owned and Leased Properties: Eastern Loudoun County; Loudoun County Base Zoning Map.*
22. What is meant by manufactured housing?	*Manufactured housing are homes built entirely in the factory, transported to the site, and installed under a federal building code administered by the U.S. Department of Housing and Urban Development (HUD). The Federal Manufactured Home Construction and Safety standards (commonly known as the HUD Code) went into effect June 15, 1976 and regulate design and construction, strength and durability, transportability, fire resistance, energy efficiency and quality. The HUD Code also sets performance standards for the heating, plumbing, air conditioning, thermal and electrical systems. It is the only federally-regulated national building code. Manufactured homes differ from other portable components as follows:* *Modular Homes: These factory-built homes are built to the state or local code where the home will be located.*

	House components are transported to the site and put together. ***Panelized Homes: These are factory-built homes in which panels—a whole wall with windows, doors, wiring and outside siding—are transported to the site and assembled. The homes must meet state or local building codes.*** ***Pre-Cut Homes: This is the name for factory-built housing in which building materials are factory-cut to design specifications, transported to the site and assembled. Pre-cut homes include kit, log and dome homes. These homes must meet state or local building codes.*** ***Mobile Homes: These are homes built entirely in the factory, transported to the site on a chasis that is hidden by skirting to enable the home to be moved again. These homes are built to voluntary industry standards.***
23. Why didn't the last set of policies get implemented and how will these policies get implemented?	***The Board of Supervisors has taken significant steps to implement the current housing policies. (Attachment 1-B) Chapter 11 of the Revised General Plan identifies the priority implementation step as the "study, development, and initiation of affordable housing incentives and programs including the establishment of a housing trust fund and housing authority." (Revised General Plan, p. 11-20) In December, 2003 and July, 2004, the Board of Supervisors, based on recommendations of the Economic Development Commission, adopted several initiatives to include establishment of a Housing Advisory Board to support policies and make recommendations for program development; provide the source for study, focus and advocacy; evaluate supply and demand issues; work cooperatively with other jurisdictions to solve regional problem; mobilize business, non-profit, developer and community support to develop and sustain workforce housing programs; and support education on affordable housing initiatives; and the establishment of a Loudoun Housing Trust. On April 3, 2007, the Board set in motion several housing initiatives to further the implementation of existing policies and to modify them to support new initiatives, to include initiation of the CPAM to update housing policies; consolidation and deployment of existing housing funds; and direct the HAB and ADUAB to collaborate on the consolidated trust dispersal process and other programs.***
24. How will the incentives work?	***Proposed Policy 5 states "The County will consider establishing incentives, such as density bonuses or transfers; expedited application review; reductions or waiver of permit, development, and infrastructure fees or capital facilities contributions; tax abatements; and zoning modifications to meet annual housing goals and objectives. The intent of the HAB is that a specific process that includes studying a variety of incentives and recommending an incentives program is the appropriate next step to implementing this policy. The Board would need to initiate a process for developing such incentives which could result in changes to County regulatory documents. This type of process would be beyond the scope of a Plan amendment process.***
25. What are the self-sufficiency statistics referenced in the LARC letter?	***The Self-Sufficiency Standard for Virginia calculates how much money working adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard, the Self-Sufficiency Standard accounts***

	for the costs of living and working as they vary by family size and composition and by geographic location. A description of the assumptions and sources for the self-sufficiency standards can be found in Attachment 1-C.
26. How does Northern Virginia Community College (NVCC) address students with special needs?	***A goal of NVCC is that each qualified student have an equal opportunity to pursue a college education regardless of the presence or absence of a disability. NVCC offers numerous accommodations for students with disabilities including providing course program and building modifications and auxiliary services that are necessary to assure equal access. Each campus and Extended Learning Institute has identified one or more staff persons to assist student with needs. Areas of assistance include counseling, registration, special academic needs, and liaison with area rehabilitative service agencies. NVCC also provides Assistive Technology equipment and software designed to address the special needs of persons with disabilities such as hearing, visual, learning, mobility, etc. in order to assist them in the learning processes of higher education and/or career management.***
27. Could the Katrina Cottage (900 to 1200 sq. ft.) model work in Loudoun?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
28. What's the biggest impediment to affordable housing in Loudoun?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
29. Could "empowerment zones" work in Loudoun?	***A description of the U.S. Housing and Urban Development Agency Empowerment Zones and Enterprise Communities can be found in Attachment 1-D. Further research is required to determine how these programs might be used in Loudoun County.***
30. How could a funding stream for rent subsidies be enacted?	***The funding for such a program could come from the trust fund or another fund allocation. For example, a $1 million Rent Subsidy program could provide 333 families with a $250 per month rental subsidy for one year.***
31. How many original Windy Hill families still live at Windy Hill? How is Windy Hill set up? What does it look like? Who lives there?	***There were 9 original families. All remained after renovations were completed 1983-1986. After 25 years, two of those households (now elderly) remain The Windy Hill Foundation, currently owner of 47 rental units with 20 more about to be under construction, is a 501(c)3 not-for-profit. It has a volunteer Board of Directors of which Joe Boling is President. The Foundation also has a construction arm and an LLC for the purpose of using VHDA tax credits. The Foundation has 10 single family detached houses, 8 duplexes, one 5-unit apartment, and one 16-unit apartment (total 47 units) at three sites in Middleburg. It is about to start construction of a 20-unit elderly project at a fourth adjoining site. Total resident population is 100-110 persons (about 17% of the population of Middleburg) and is roughly divided: 30% children and teens under 18; 55%-60% working adults; and about 10-15% elderly or disabled adults. The Windy Hill Foundation would be pleased to offer the Planning Commission a tour of project. A brochure on the Windy Hill Foundation, that includes some Before-and-After photos, will be provided to the Commission at the June 4, 2007 Worksession.***

32. What is HomeAid and who have they helped in Loudoun? How much money is put into the program by NVBIA?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
33. How have we implemented the trust fund and how should we go forward?	***Refer to answer to Question 5 above.***
34. How effective has the ADU program been?	***As of January 1, 2007, 1,105 homes have been sold through the program and, based on rezoning activity, approximately 2,400 additional ADUs will be constructed as those developments are built. The average gross income of an ADU-served household at the time of home purchase is $39,242. The waiting list for the ADU program includes 272 families. Eligible households must have incomes between 50% - 70% AMI as determined from the Washington Metropolitan Statistical Area (MSA). There are currently 288 ADU apartments for rent and the waiting list for the ADU Rental Program includes 87 families. Eligible households must have income between 30% - 50% AMI.***
35. How well does the zoning ordinance comport with the proposed policies? Will there be a need for zoning follow-up?	***Ssee attached memorandum from the Zoning Division of the Department of Building and Development, Attachment 1-E.***
36. How long does it take to put a voter referendum on the ballot? What does the Code require?	***Section 24.2-684.1 of the Virginia State Code sets out requirements for voter referendums. A summary of Referendum Provisions can be found in Attachment 1-F.*** ***An important consideration in placing a referendum on the ballot is ensuring that the public has the opportunity to learn comprehensively about the issue. The HAB has not considered the formation of a Housing Authority critical at this time given the momentum initiated by the Board of Supervisors with the housing strategy, the support and use of the authority of the IDA, and the lack of public information about the County's housing issues, that it is not optimum for the County to initiate a referendum as a priority.***
37. Use a sample project of 50 500 square foot units. How could it be achieved? What needs to be in place to enable it to happen? What are the building and land costs? How much would it cost to rent/own?	***Response to be provided to the Planning Commission at the June 4, 2007 Worksession.***
38. Is higher density the only option? Are we beyond the point of being able to address the issue?	***See response to Question 2 above.***

Vacant Land
Owned or Leased by Loudoun County in 2006



Owned

Leased

Informal Lease (Fire & Rescue)

Other (Privately Owned: Proffer, Town Ownership, Community Center, or Historic Site)

Town

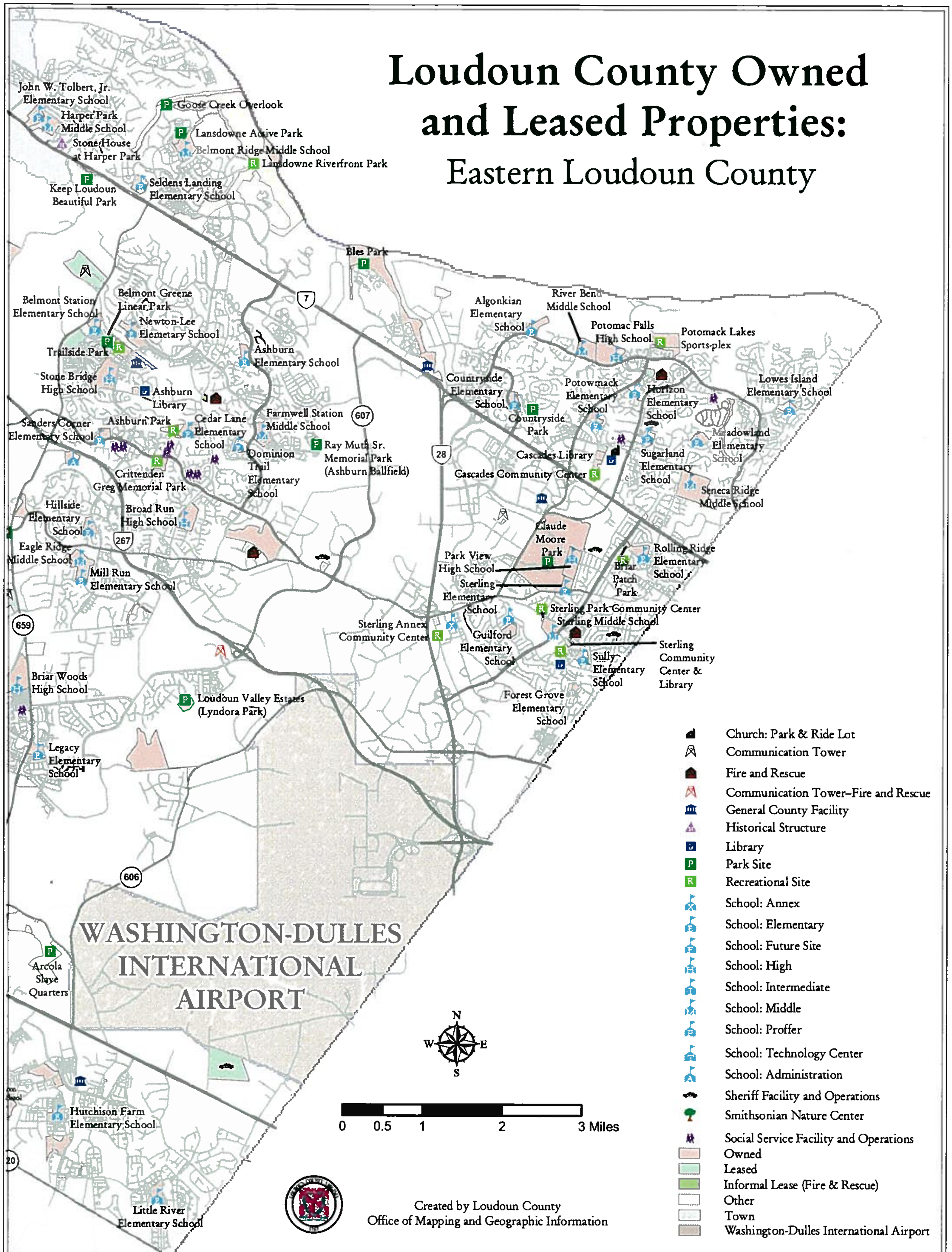
Washington-Dulles International Airport

Created by Loudoun County
Office of Mapping and Geographic Information
Map Number 2007-085
Created May 30, 2007

A-11

ATTACHMENT 1-A

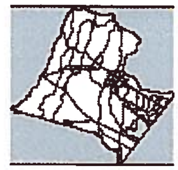
This page intentionally left blank.


Loudoun County Owned and Leased Properties:
Eastern Loudoun County
John W. Tolbert, Jr. Elementary School
Harper Park Middle School
Stone House at Harper Park
Goose Creek Overlook
Lansdowne Active Park
Belmont Ridge Middle School
Lansdowne Riverfront Park
Keep Loudoun Beautiful Park
Seldens Landing Elementary School
Bles Park
Belmont Station Elementary School
Belmont Greene Linear Park
Newton-Lee Elemetary School
Trailside Park
Ashburn Elementary School
Stone Bridge High School
Ashburn Library
Sanders Corner Elementary School
Ashburn Park
Cedar Lane Elementary School
Farmwell Station Middle School
Ray Muth Sr. Memorial Park (Ashburn Ballfield)
Dominion Trail Elementary School
Crittenden
Greg Memorial Park
Hillside Elementary School
Broad Run High School
Eagle Ridge Middle School
Mill Run Elementary School
Algonkian Elementary School
River Bend Middle School
Potomac Falls High School
Potomack Lakes Sports-plex
Countryside Elementary School
Countryside Park
Potowmack Elementary School
Horizon Elementary School
Lowes Island Elementary School
Meadowland Elementary School
Sugarland Elementary School
Cascades Library
Cascades Community Center
Seneca Ridge Middle School
Claude Moore Park
Park View High School
Sterling Elementary School
Rolling Ridge Elementary School
Briar Patch Park
Sterling Park Community Center
Sterling Middle School
Sterling Annex Community Center
Guilford Elementary School
Sully Elementary School
Sterling Community Center & Library
Forest Grove Elementary School
Briar Woods High School
Loudoun Valley Estates (Lyndora Park)
Legacy Elementary School
WASHINGTON-DULLES INTERNATIONAL AIRPORT
Arcola Slave Quarters
Hutchison Farm Elementary School
Little River Elementary School
7
607
28
267
659
606
N
W
E
S
0
0.5
1
2
3 Miles
Church: Park & Ride Lot
Communication Tower
Fire and Rescue
Communication Tower–Fire and Rescue
General County Facility
Historical Structure
Library
Park Site
Recreational Site
School: Annex
School: Elementary
School: Future Site
School: High
School: Intermediate
School: Middle
School: Proffer
School: Technology Center
School: Administration
Sheriff Facility and Operations
Smithsonian Nature Center
Social Service Facility and Operations
Owned
Leased
Informal Lease (Fire & Rescue)
Other
Town
Washington-Dulles International Airport
Created by Loudoun County
Office of Mapping and Geographic Information

A-13

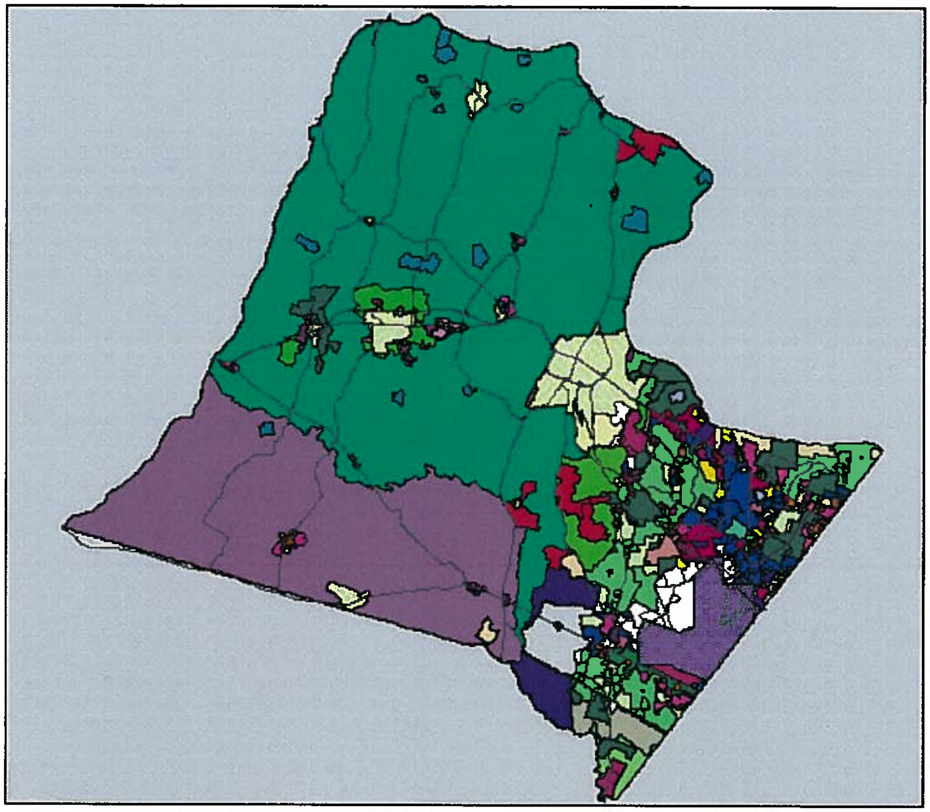
This page intentionally left blank.

Loudoun County Mapping System



7,167,717

N



6,991,717

11,623,388 Map Width=201,207 feet 11,824,596

Created on 5/31/2007 9:19:11 AM

Zoning Current

A10	JLMA1	PDH4	R24
A3	JLMA2	PDH6	R3
AR1	JLMA20	PDIP	R4
AR2	JLMA3	PDOP	R8
C1	MRHI	PDRDP	RC
CLI	PDAAAR	PDRV	TOWNS
CR1	PDCCCC	PDSA	TR10
CR2	PDCCNC	PDSC	TR1LF
CR3	PDCCRC	PDTC	TR1UBF
CR4	PDCCSC	PDTRC	TR2
GB	PDCH	R1	TR3LBR
I1	PDGI	R16	TR3LF
IAD	PDH3	R2	TR3UBF

A-15

This page intentionally left blank.

Existing Housing Policies and Implementation Efforts

Existing Plan Policy	Implementation Efforts
1. The County will initiate a regional cooperative effort with neighboring jurisdictions to establish a dialogue and programs to address the provision of a healthy balance of jobs and housing in each jurisdiction.	The HAB membership represents several regional affordable housing efforts. Staff networks with other Northern Virginia jurisdictions' staff on a regional program committee. The HAB and IDA have heard presentations from a variety of other jurisdictions concerning specific programs and approaches to addressing affordable housing issues (including the Washington Area Housing Partnership). The County participates on the Council of Governments' Housing Directors Advisory Group.
2. The County encourages a variety of housing types and innovative designs to be developed in mixed-use communities to assist in achieving affordable housing goals.	Implementation achieved through the rezoning process.
3. The County will require a mix of housing options appropriately located in communities to support a balanced development program.	Implementation achieved through the rezoning process.
4. The County will identify options for affordable housing development in the Transition Policy Area not covered by the ADU zoning ordinance and work toward an implementation plan.	
5. The County will provide technical planning expertise and financial support to the Towns to assist them in establishing redevelopment and revitalization programs that provide affordable housing. Such programs might include a revitalization tax program, housing rehabilitation, the development of regulations that allow for a broad range of housing types and upper story residential uses over stores etc.	The County currently offers financial assistance through the Community Development Block Grant (CDBG) program. Both Leesburg and Purcellville have received funding for projects. The Town of Leesburg is currently drafting an ADU program that the County is considering administering on the Town's behalf. The County and Town are also considering placing the "cash-in-lieu" funds that may be generated from the Leesburg program into the County's Housing Trust for use on Leesburg specific projects. This approach could work for other towns as well. The Towns depend on the County for the provision of social services, such as rental assistance, emergency shelter, and on relocation issues to their citizens.
6. The maintenance, conservation, redevelopment, and improvement of existing residential development will be preferable development tools vs. new development on formerly non-residential land.	The County has two home improvement programs that are available either countywide (Loudoun County Home Improvement Program (LCHIP) and in specific areas (the Eastern Loudoun Revitalization Program).
7.The County will encourage preservation by adaptive re-use of existing rural farm structures, such as barns, for the development of affordable dwelling units, as defined in the Zoning Ordinance and in accordance with the policies in the *Revised General Plan.*	
8. The County requires that for land development applications proposing development of 50 or more dwelling units with a density greater than one dwelling unit per acre, located in an approved sewer service area, a percentage of the total number of dwellings will be developed as affordable units and given an appropriate density increase. The County will determine an average annual affordable housing production level by evaluating the affordable home ownership and rental needs of the projected population as relates to the County's fiscal capability to provide public services to new residential development.	Article 7 of the Zoning Ordinance requires Affordable Dwelling Units (ADUs). The Joint Trust Fund Committee is developing an annual review process as part of the Trust Fund dispersal process. The HAB advises regular analysis of the County's unmet housing needs per policy revision.

ATTACHMENT 1-B

A-17

This page intentionally left blank.

Existing Plan Policy	Implementation Efforts
9. The County will seek state enabling legislation to require the development of affordable dwelling units as part of developments less than 50 units	The General Assembly approved modifications to Section 2305 of the Code removing the cap on developments exempted from ADU provisions. Loudoun County's enabling authority falls under Section 2304, but has used 2305 as a guide for Article 7 amendments.
10. The County will strengthen ADU Program regulations to do as much as the state code allows to require the development of affordable housing that is interspersed within neighborhoods, communities and throughout the County as a part of new development.	
11. The County will seek state enabling legislation to eliminate the exemption from the ADU Ordinance of buildings with elevators that are four stories or higher.	The General Assembly approved modifications to Section 2305 of the Code removing the elevator building limitation except for jurisdictions located in Planning District 8, which includes Loudoun County.
12. The County will provide special incentives to stimulate the development of new housing projects when the applicant demonstrates the capacity to effect economic efficiencies in producing and sustaining rents and sale prices that meet the County's adopted definition of affordable.	
13. Developers of residential and mixed-use projects are encouraged to include affordable housing proffers in their development proposals.	Implementation achieved through the rezoning process.
14. The County will establish a housing trust fund to provide a stable, broad-based funding source for affordable housing initiatives. The housing trust fund can be used to leverage federal, state, and other funding sources, provide down payments for first time home-buyers, to purchase land for the development of affordable housing, for construction gap financing, and rental assistance, etc.	The Board of Supervisors initiated the fund consolidation process so that all housing funds will be put into a unified trust. The HAB recommends a new policy concerning a dedicated funding source to support future funding efforts.
15. The County will work in partnership with nonprofit and not-for-profit agencies committed to the provision of a wide range of affordable housing opportunities by offering technical and financial assistance.	The Board of Supervisors established the HAB to facilitate the process of forming partnerships with the IDA, non-profits, and the private sector to address unmet housing needs. The consolidated trust fund will provide financial assistance.
16. The County will establish a Housing Authority as provided for by the State Code to develop new affordable housing, rehabilitate housing, and revitalize community infrastructure.	The Board of Supervisors identified the IDA's ability to exercise some of the powers of a housing authority. The Joint Trust Fund Committee is developing a trust fund consolidation & dispersal process.
17. The County will develop and implement an employer-assisted housing program to help meet workers' housing needs.	The HAB, through a subcommittee, has been working with local businesses and the public sector in identifying program needs and studying best practices in the region.
18. The County will develop and implement a revitalization tax program for housing rehabilitation to conserve existing affordable housing.	The County has established a revitalization tax program that is marketed along with the home improvement programs.

This page intentionally left blank.

Existing Plan Policy	Implementation Efforts
19.The County endorses the formation and operation of a not-for-profit housing corporation to deliver affordable housing units that meet the Board of Supervisors' definition of affordable for sale and for rent units and provide for the housing needs of special populations.	The County has provided funding support to the Windy Hill Foundation and the Loudoun Chapter of Habitat for Humanity. The County has participated in several home-ownership loan programs funded by the Virginia Housing Development Authority (VHDA).
20.The County will encourage the formation of public and private partnerships to develop housing for special populations that are integrated within existing and planned residential communities particularly in areas within walking distance of convenience shopping and employment opportunities.	
21. The County will amend the Zoning Ordinance to expand the number of districts where manufactured housing, accessory units, and other alternative housing types are allowed.	
22. The County will promote the formation of public and private partnerships for the provision of an affordable range of housing types throughout the County to address the needs of lower income families by facilitating the private provision of this housing in the County's regulations and by assisting in the utilization of state and federal programs.	The County regulates affordable housing production through the ADU program and provides local, State, Federal funding to non-profits for home improvement (LCHIP, Willisville) and new housing development (Banneker Subdivision and Windy Hill).

12A

This page intentionally left blank.

Homes & Communities
U.S. Department of Housing and Urban Development

Introduction to the RC/EZ Initiative

In December 2000, Congress passed legislation to create 40 Renewal Communities and a new round of Empowerment Zones. HUD held a competition for the new designations in 2001 and announced the winners in December. The Department's Office of Community Renewal is working very hard to help these designees to achieve the community development made possible by a generous $11 Billion tax incentive package.

Senator Rick Santorum of Pennsylvania and former Congressman J.C. Watts, Jr. of Oklahoma outlined the recent success and current promise of the RC/EZ/EC Initiative in a joint April 29, 2002 letter to President George W. Bush. The Senator and Congressman wrote the following to the President:

"The United States Congress worked diligently over the past several years to create an environment that enables distressed urban and rural communities to have hope for the future through economic and social renewal. Our belief is that when private industry flourishes in these communities, it directly, and positively, impacts peoples' lives. The Community Renewal and New Markets Initiative, enacted in 2000, does just this, with a tax-incentive package designed to attract businesses to Renewal Communities and Empowerment Zones across the nation."

On December 21, 1994, HUD and USDA designated 105 distressed communities across the Nation as Empowerment Zones and Enterprise Communities (EZs and ECs). In January 1999, the initiative was expanded through a second round of designations to include 20 new urban and rural Empowerment Zones and 20 new rural Enterprise Communities. Take a virtual tour through information on all the RC/EZ/EC designated areas.

In December 2000, the Initiative was expanded further through the Community Renewal Tax Relief Act of 2000, which authorized designations for 40 Renewal Communities (RCs) and 9 more EZs. On December 31, 2001, HUD designated 40 Renewal Communities, 28 in urban areas and 12 in rural areas. Also, HUD designated 8 urban Round III Empowerment Zones and USDA designated 2 rural Round III EZs. HUD designated 8 urban EZs in Round III instead of just 7 because one slot became open when Atlanta, Georgia gained an RC designation but lost its EZ designation. Atlanta lost this designation because the area that Atlanta nominated as an RC shared census tracts with the existing EZ.

The RC/EZ/EC Initiative takes an innovative approach to revitalization. It brings communities together through public and private partnerships to attract the investment necessary for sustainable economic and community development. The Initiative recognizes that local communities, working together, can best identify and develop local solutions to the problems they face.

The Federal Government has been actively engaged in assisting the designated communities in realizing their revitalization strategies. By providing tax incentives, grants, loans, and technical assistance, the Initiative has helped spur private investment in communities that have experienced severe economic decline. The program provides performance-oriented, flexible Federal grant funding so communities can design local solutions that empower residents to participate in the revitalization of their neighborhoods.

The urban EZs have used their Federal seed money to create partnerships that have leveraged more than $12 billion in public and private investment. Strategies resulting from these partnerships have generated jobs; provided business assistance and services; trained and educated youth and families; improved access to childcare, healthcare and transportation; and increased residents' safety and involvement in their neighborhoods.

In 1994, following a highly competitive process (Round I), HUD designated 65 cities as Enterprise Communities (ECs) and 6 cities as Empowerment Zones (EZs). Funds that were available to communities through Round I designation were derived from the Social Services Block Grant (SSBG) program administered by the Department of Health and Human Services. A second round of competition for EZ/EC designation was held in 1998. Round II urban EZ designees received funds through HUD's Appropriations Acts of 1999 and 2000. Please see below for amounts of funding through EZ/EC designation in both Rounds I and II.

Round I Empowerment Zones

Nine Empowerment Zones - six urban and three rural zones. Each urban zone received $100 million in flexible social service block grants and tax breaks for zone businesses; each rural zone received $40 million in grants and tax breaks. The President also announced the designation of two Supplemental Empowerment Zones -- Los Angeles, CA and Cleveland, OH - which received economic development grants through HUD. Los Angeles received $450 million in grants, and Cleveland received $177 million.

Round II Empowerment Zones

Twenty new Empowerment Zones - 15 urban and 5 rural, were designated through the Round II competition. For Fiscal Years 1999 through 2004, Congress has approved a total of approximately $25 Million in funding for each of these Zones.

Round II Enterprise Communities

In Round II, only rural areas received Enterprise Community designation. A total of 20 rural ECs were designated through Round II. Congress has approved $250,000 annually for each Round II rural EC for fiscal years '99 through '01.

Renewal Communities and Round III Empowerment Zones

The Omnibus Consolidation & Emergency Supplemental Appropriations Act for FY 2001 (P.L. 106-554), signed into law on December 21, 2000, enacted the provisions of a number of bills of the 106th Congress. Among them was the Community Renewal Tax Relief Act of 2000 (CRTR Act), which authorizes the designation of 9 new Empowerment Zones (EZs - 7 urban and 2 rural) and 40 Renewal Communities (RCs - 28 urban and 12 rural). HUD actually designated 8 urban Empowerment Zones in Round III, while USDA designated 2 rural Round III EZs. HUD designated 8 urban EZs instead of the planned 7 because one slot

A-32

became open when Atlanta, Georgia gained an RC designation but lost its EZ designation. Atlanta lost this designation because the area that Atlanta nominated as an RC shared census tracts with the existing EZ. The designation period of these RCs and Round III EZs will be from January 1, 2002 through December 31, 2009.

Content updated October 26, 2005

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 Find the address of a HUD office near you

A-33

This page intentionally left blank.

Methodological Appendix, Virginia 2006: Assumptions and Sources

Introduction

*The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs—**without public or private assistance.***

The Self-Sufficiency Standard calculates a family-sustaining wage that does not require choosing between basic necessities such as child care, nutritional food, adequate housing, or health care. On the other hand, the Standard only covers immediate, day-to-day necessities, excluding longer-term needs such as retirement savings or college tuition, purchases of major items such as a car, emergency expenses, or extras such as gifts, video rentals, or after school activities.

While public work supports are often necessary and critical for certain families to meet the costs of such high-priced necessities as child care, health care, and housing, economic self-sufficiency cannot necessarily be achieved with wages alone or even wages combined with benefits. True self-sufficiency involves more than a job with a certain wage and benefits at one point in time. Central to efforts to attain self-sufficiency is access to education, training, and jobs that provide real potential for skill development and career advancement over the long-term.

In addition, the Self-Sufficiency Standard does not imply that any family at any income should be completely self-reliant and independent of one another or the community-at-large. Indeed, it is through interdependence among families and community institutions (such as schools or religious institutions), as well as informal networks of friends, extended family, and neighbors that many families are able to meet both their non-economic and economic needs.

Federal Poverty Level (FPL) and The Self-Sufficiency Standard

The Federal Poverty Line or FPL (also referred to as the federal poverty measure or federal poverty guidelines) was developed over four decades ago and is based on the cost of a single item—food. Because current expenditure patterns at that time indicated that families spent an average of one-third of their income on food, the U.S. Department of Agriculture (USDA) "thrifty food budget" was simply multiplied by three to determine the poverty level. Since then, it has only been updated for inflation. The FPL only varies by family size (regardless of composition) and does not vary by location or age of children. For instance, the 2006 FPL for a family of three (either two adults with one child, or one adult with two children) is $16,600 across the U.S.

The Self-Sufficiency Standard differs from the FPL in five important ways:

1. The Standard independently calculates the cost of each basic need (not just food) and does not assume that any one cost will account for a fixed percentage of the budget.
2. The Standard assumes that all adults—married or single—work full-time and includes all major costs (child care, taxes, and so forth) associated with employment.
3. The Standard varies costs by family size, as does the FPL, but the Standard also varies costs by family composition and the ages of children.
4. Whenever possible and appropriate, the Standard varies costs geographically (by state, region, county, and in some cases, by city or locality).
5. The Standard includes federal, state, and local taxes (e.g., income, payroll, and sales taxes) and tax credits.

The data used in the Self-Sufficiency Standard are collected or calculated using standardized or equivalent methodology nationwide; obtained from scholarly or credible sources such as the U.S. Census Bureau; updated annually (or as updates are available); and as geographically- and age-specific as possible and appropriate. The Standard allows each cost to increase at its own rate, by family type, geographic location, and over time. As improved or standardized data sources become available, the methodology used by the Standard is refined accordingly.

The Standard is calculated for each of Virginia's 70 family types (ranging from one adult, to one adult with one infant, and so forth, up to two-adult families with three teenagers) in each of Virginia's 135 cities/counties.

Monthly Costs

Housing

For housing costs, the Standard uses the most recent Fiscal Year Fair Market Rents (FMRs), calculated annually by the U.S. Department of Housing and Urban Development (HUD) for each state's metropolitan and non-metropolitan areas. Annual FMRs are based on data from the 2000 decennial census, the biannual American Housing Survey, and random digit dialing telephone surveys. FMRs, which include utilities (except telephone and cable), are intended to reflect the cost of housing that meets minimum standards of decency.

The FMRs are calculated for metropolitan areas (known as Metropolitan Statistical Areas or MSAs) and non-metropolitan counties. MSAs that have a population core of at least 2.5 million may be divided into HUD Metro FMR Areas (HMFAs).

When an MSA includes multiple counties, towns, and/or cities, the Standard uses National Low Income Housing Coalition (NLIHC) *county- (or town, city)-level* median gross rents to create ratios to vary the FMRs within a single MSA/HMFA. Of the 16 MSAs in Virginia, 11 consist of more than one county and/or city. Since HUD calculates only one set of FMRs for each of these 11 areas, the Standard used the NLIHC median gross rents for each county/city to vary the individual county/city FMRs within the MSA. The Standard used Virginia's 55 non-metropolitan FMR areas (counties) without adjustments.

In general, FMRs are set at the 40th percentile, meaning 40% of the housing in a given area is less expensive than the FMR. All of Virginia's FMRs are set at the 40th percentile, except for the Richmond, VA HMFA, the Virginia Beach-Norfolk-Newport News, VA-NC MSA, and the Washington-Arlington-Alexandria, DC-VA-MD HMFA, which are set at the 50th percentile.

The Standard assumes that parents and children do not share the same bedroom and no more than two children share a bedroom.

Sources: Housing

- U.S. Housing and Urban Development. 1995. *Fair Market Rents for the Section 8 Housing Assistance Payments Program.* Retrieved from http://www.huduser.org/datasets/fmr/fmrover.doc
- National Archives and Records Administration. Federal Register, Volume 70, No. 105, June 2, 2005. Department of Housing and Urban Development. *Proposed Fair Market Rents for Fiscal Year 2006 for Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy and Certain Other HUD Programs; Notice.* Retrieved from http://www.huduser.org/datasets/fmr/fmr2006P/Preamble_FY06_FMRP.pdf
- National Low Income Housing Coalition. Excerpts from Federal Register. August 6, 2004 (Vol. 69, No. 15). Retrieved from http://www.nlihc.org/2005fmrs/explanation.htm
- National Low Income Housing Coalition. Median Gross Rent by County. 2000. Retrieved from http://www.nlihc.org/research/lalihd/renterreport.pdf
- Federal Register. Effective October 1, 2005. Schedule B: FY 2006 Final Fair Market Rents for Existing Housing. Retrieved from http://www.huduser.org/datasets/fmr/fmr2006F/FY2006F_SCHEDULE_B.doc

Child Care

Since a basic assumption for calculating the Standard is that it provides the costs of meeting needs *without* public or private subsidies, free or unpaid child care provided by family relatives and friends or any other private subsidies are not considered when determining child care costs.

The Family Support Act, in effect from 1988 until welfare reform in 1996, required states to provide child care assistance at market-rate for low-income families in employment and/or education and training. States were also required to conduct child care cost surveys biannually to determine the market-rate (defined as the 75th percentile) by setting, age, and geographical location or set a statewide rate. Many states, including Virginia, have continued to conduct or commission the surveys as well as reimburse child care at this level.

Data for the 2006 Self-Sufficiency Standard for Virginia is from the most recent child care rate survey completed in 2004 (rates effective through 2005).

The "tier two" (licensed facilities) *family* care rates were used to create an age-weighted average for an "infant" (defined as 0 to 3 years old by the Standard and 0 to 16 months by Virginia). Virginia's tier two *center* care rates were used to calculate an age-weighted average of the cost of child care for preschoolers (defined as 3 to 5 years of age by the Standard, but 2 to 5 years by Virginia). For schoolage children, the tier two center care rates from the "before and after school" category were used.

Sources: Child Care

- Capizzano, J., Adams, G. & Sonenstein, F. (2000). *Child Care arrangements for child under five: Variation across states. New federalism: National Survey of America's Families.* (Series B, No. B-7). Washington DC: The Urban Institute. Retrieved from http://www.urban.org/UploadedPDF/anf_b7.pdf
- Almanac of Policy Issues. Child Care. Retrieved from http://www.policyalmanac.org/social_welfare/archive/child_care.shtml
- Mike Theis, Research Analyst. Virginia Department of Social Services, Division of Strategy Management, Office of Research.
- Child Care Maximum Reimbursable Rates. Survey created by Virginia Tech for Virginia Department of Social Services. 2004.
- Department of Social Services. *Child Care and Development Fund Plan for FFY 2006-2007.* Available at http://www.dss.virginia.gov/files/division/cc/ccdf/plan.pdf
- U.S. Bureau of Labor Statistics. Consumer Price Index. September 2005. Retrieved from http://www.bls.gov/cpi/home.htm

Food

Food costs for the Standard are based on USDA Low-Cost Food Plan. Although it is 25% higher than the Thrifty Food Plan, the Low-Cost Food Plan is based on more realistic assumptions about food preparation time and consumption patterns, while still being a very conservative estimate of food costs (for instance, the Low-Cost Food Plan does not allow for any take-out, fast-food, or restaurant meals).

The Standard varies food costs by the number and ages of children and the number and gender of adults. The Standard assumes that a single-*person* household is one adult male, the single-*parent* household is one adult female, and a two-parent household includes one adult male and one adult female.

Geographic differences in Virginia's grocery costs were varied by using ACCRA's Cost of Living Index. Food costs across Virginia range from 16% lower to 8% higher than the national average.

Sources: Food

- U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. Official USDA Food Plans: Cost of food at home at four levels, U.S. Average, June 2005. Retrieved from http://www.usda.gov/cnpp/FoodPlans/Updates/foodjun05.pdf
- ACCRA. Cost of Living Index.2004, First, Second and Third Quarter average. Available at http://www.accra.org/

Public and Private Transportation

If there is an "adequate" *public transportation* system in a given area, it is assumed that workers use public transportation to get to and from work. Public transportation use is assumed for an entire statistical area when more than 7% of the population in that area uses public transportation. Private transportation (a car) is assumed where public transportation use is less than 7%. There are six areas in Virginia where use of public transportation is assumed: Alexandria city, Arlington County, Fairfax County, Falls Church city, Fairfax city, and Richmond city. The cost of public transportation in these areas, except Richmond, includes daily roundtrip bus and train fares, plus a discounted return trip bus transfer. For Richmond, the cost was calculated for two daily Express trips.

Private transportation costs are based on the costs of owning and operating an average car. For the remaining 129 counties/independent cities in Virginia, the Standard assumes that adults use private transportation to go to and from work. One car is assumed for the single-parent family and two cars are assumed for a family with two adults. It is understood that the car(s) will be used to commute to and from work five days per week, plus one trip per week for shopping and errands. In addition, one parent in each household with young children is assumed to have a slightly longer weekday trip to allow for "linking" trips to a day care site. For per-mile costs, driving cost data from the American Automobile Association is used. The commuting distance is computed from the National Household Travel Survey 2001.

The auto insurance premium is the average premium cost for a given state from a survey conducted by the National Association of Insurance Commissioners (NAIC). To create *within* state variation (regional or county) in auto insurance premiums, ratios are created using sample premiums from the automobile insurance companies with the largest market shares in the state.

The fixed costs of car ownership such as fire, theft, property damage and liability insurance, license, registration, taxes, repairs, monthly payments, and finance charges are included. The monthly variable costs (e.g., gas, oil, tires, and maintenance) are also included, but the initial cost of purchasing a car is not. To estimate private transportation fixed costs, the Standard uses Consumer Expenditure Survey amounts for families with incomes between the 20th and 40th percentile by region.

Auto insurance premiums and fixed auto costs are adjusted for inflation using the most recent Consumer Price Index.

Sources: Public and Private Transportation

- Porter, C. & Deakin, E. (1995). *Socioeconomic and journey-to-work data: A compendium for the 35 largest U.S. metropolitan areas*. Berkeley, CA: Institute of Urban and Regional Development, University of California.
- Census Transportation Planning Package (CTPP) 2000: Profiles for Virginia. Retrieved from http://transportation.org/ctpp/home/va.htm
- Alexandria city, Arlington city, Fairfax County, Fairfax city, and Falls Church city: Washington Metropolitan Transit Authority (WMTA). Retrieved from http://www.wmata.com/riding/hours_fares.cfm
- Richmond city: Greater Richmond Transit (GRTC). Retrieved from http://www.ridegrtc.com/FrontEnd/HTML/index.html
- American Automobile Association. *Your Driving Costs 2005*. Retrieved from http://www.aaawin.com/news_safety/pdf/Driving_Costs_2005.pdf
- U.S. Department of Transportation. National Household Travel Survey 2001. Retrieved from http://nhts.ornl.gov/2001/index.shtml
- National Association of Insurance Commissioners (NAIC). (2004 September). *Auto Insurance Database Report. Average Premiums and Expenditures 1998-2002*. NAIC Research Library.
- Fixed Auto Costs: Calculated and adjusted for region using Bureau of Labor Statistics on-line data query for the Consumer Expenditure Survey at http://www.bls.gov/data/

Health Care

The Standard assumes that an integral part of a Self-Sufficiency Wage is *employer-sponsored* health insurance for workers and their families. Nationally, 70% of non-elderly individuals in households with at least one full-time worker have employer-sponsored health insurance coverage. In Virginia, 75% of non-elderly individuals in households with at least one full-time worker have employer-sponsored health insurance coverage. Both nationally and in Virginia, the employer pays 83% of the insurance premium for the employee and 75% of the insurance premium for the family.

Health care premiums are obtained from The Henry J. Kaiser Foundation State Health Facts Online, Employment-Based Health Premium for a single adult and for a family. The Kaiser Foundation bases the cost of health insurance premiums on the average premium paid by a state's residents, according to the national Medical Expenditure Panel Survey (MEPS) and adjusted for inflation using the Medical Care Services Consumer Price Index. Average premiums from Virginia insurance companies with the largest market share were used to vary premium costs by major metropolitan area within the state. The areas used for determining health insurance premiums were the same areas that were used to determine auto insurance rates.

Health costs also include regional out-of-pocket costs calculated for adults, infants, preschoolers, schoolage children, and teenagers. Data for out-of-pocket health care costs (by age) are also obtained from the MEPS, adjusted by region using the MEPS Household Component Analytical Tool, and adjusted for inflation using the Medical Care Consumer Price Index.

Sources: Health Care

- Kaiser Family Foundation. State Health Facts Online. United States: Non-elderly with Employer Coverage. Rate of Non-elderly with Employer Coverage by Employment Status, State Data 2003-2004, U.S. 2004. Retrieved from http://www.statehealthfacts.org
- U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, U.S. City Average. Medical Care Services (for premiums) and Medical Services (for out-of-pocket costs). Retrieved from http://www.bls.gov/cpi/home.htm
- Premiums: Kaiser Family Foundation. State Health Facts Online. Health Cost and Budgets. United States: Average Annual Cost of Employment-Based Health Insurance - single coverage, 2003, and United States: Average Annual Cost of Employment-Based Health Insurance - family coverage, 2003. Retrieved from http://www.statehealthfacts.org/
- Out-of-Pocket Costs: Agency for Healthcare Research and Quality. Household Component Analytical Tool (MEPSnet/HC). August 2003. Rockville, MD. Retrieved from http://www.meps.ahrq.gov/mepsnet/HC/MEPSnetHC.asp
- Kaiser Family Foundation. State Health Facts Online. Virginia: Non-elderly with Employer Coverage. Rate of Non-elderly with Employer Coverage by Employment Status, State Data 2003-2004, U.S. 2004. Retrieved from http://www.statehealthfacts.org
- Kaiser Family Foundation. State Health Facts Online. Health Cost and Budgets. Virginia: Average Annual Cost of Employment-Based Health Insurance - single coverage, 2003, and Virginia: Average Annual Cost of Employment-Based Health Insurance - family coverage, 2003. Retrieved from http://www.statehealthfacts.org/
- Top Health Insurance Carriers in Virginia supplied by the State of Virginia Bureau of Insurance via e-mail (bureauofinsurance@scc.virginia.gov).
- Health insurance quotes were retrieved from https://seca.anthem.com/ratequote/app and https://www.carefirst.com/eSales/index.jsp

---

Miscellaneous

Miscellaneous items include all other essentials: clothing, shoes, paper products, diapers, non-prescription medicines, cleaning products, household items, personal hygiene items, and telephone. It does not allow for recreation, entertainment, savings, or debt repayment. Miscellaneous expenses are calculated by taking 10% of all other costs. This percentage is a conservative estimate in comparison to estimates in other basic needs budgets, which commonly use 15%.

Source: Miscellaneous

- Citro, C. & Michael, R. Eds. (1995). *Measuring poverty: A new approach.* Washington, DC: National Academy Press. Retrieved from http://www.census.gov/hhes/poverty/povmeas/toc.html

---

Taxes and Tax Credits

Taxes

Since a given family's Self-Sufficiency Wage depends partly on their taxes and tax credits, the Self-Sufficiency Standard calculates federal and state income taxes and tax credits using an iterative process. Starting with a family's total monthly expenses for basic needs, total income to cover those needs plus the net cost of taxes and tax credits is estimated. Then, taxes and tax credits on that total are calculated, then the income estimated, and if needed, the tax formulas are adjusted so that total income covers expenses plus the net effect of taxes and tax credits.

For example, a family may require $30,000 annually to cover all expenses before taxes. If the net effect of taxes and tax credits is to increase a family's Self Sufficiency Wage by $2,500, then the taxes and tax credits are recalculated using this new wage of $32,500. These calculations are repeated until the family's income is exactly enough to cover all pre-tax expenses and the taxes and tax credits incurred at that income level.

Taxes include federal and state income tax, payroll taxes, and state and municipal sales tax, where applicable. Federal payroll taxes for Social Security and Medicare are calculated at 7.65% of each dollar earned. Although the federal income tax rate is higher than the payroll tax rate, federal exemptions and deductions are substantial. As a result, while payroll tax is paid on every dollar earned, most families will not owe federal income tax on the first $10,000 to $15,000 or more, thus lowering the effective federal tax rate to about 7% for some family types.

State sales taxes are calculated only on "miscellaneous" items, as one does not ordinarily pay tax on rent, child care, and so forth. Indirect taxes (e.g., property taxes paid by the landlord on housing) are assumed to be included in the price of housing passed on by the landlord to the tenant. Virginia has a statewide sales tax of 5% and a 2.5% grocery tax. Taxes on gasoline and automobiles are included as a cost of owning and running a car.

Virginia state income taxes were calculated using the tax forms and instructions from the Virginia Department of Revenue Services. The state income tax calculation includes state specific deductions, exemptions, and tax credits. For the 2005 tax year, Virginia's income tax graduates from 2% to 5.75%.

Sources: Taxes

- Internal Revenue Service. 1040 Instructions 2005. Available at http://www.irs.gov/pub/irs-pdf/f1040a.pdf
- Virginia Department of Taxation. *2005 Virginia 760. Resident Individual Income Tax Booklet.* Retrieved from http://federal taxes.

Tax Credits

The Earned Income Tax Credit (EITC), or as it is sometimes called, the Earned Income Credit, is a federal tax refund intended to offset the loss of income from payroll taxes owed by low-income working families. The EITC is a "refundable" tax credit, meaning working adults may receive the tax credit whether or not they owe any federal taxes.

Although by law an eligible family can receive part of the federal EITC on a monthly basis (Advance EITC), most workers prefer to receive it annually, as it is difficult to estimate the amount of EITC eligibility due to fluctuating hours and wages. In addition, some workers prefer to use EITC as "forced savings" to meet important family needs such as paying the security deposit for housing, buying a car, settling debts, paying tuition, or starting a savings account. Thus, nearly all families receive the federal EITC as a lump sum payment the following year when they file their tax returns, even though the Standard shows the EITC as income available *monthly*.

In 2004, Virginia became the 18th state to adopt a state EITC. The Virginia EITC is *not* a refundable EITC. The Virginia taxpayer can choose between the state EITC, which is 20% of the federal EITC, or the Credit for Low Income Individuals. However, In some Virginia localities the Self-Sufficiency Standard is above the income limit for the EITC, so families at that level of income would not receive the EITC.

Virginia residents may qualify to claim the Credit for Low Income Individuals if the total family adjusted gross income is below federal poverty guidelines. The maximum credit that can be claimed is $300 for each personal and dependent exemption claimed on the state return. Like the State EITC, this credit is *not* refundable.

In Virginia, a married couple filing a joint return can receive up to $259 against their joint income tax liability if each spouse received income during the taxable year. With this adjustment, two-income couples who file a joint return owe no more tax than the combined tax that would be due if separate returns were filed. Joint taxable income must be over $3,000 to benefit from this adjustment.

The federal Child Care Tax Credit (CCTC), also called the Child and Dependent Care Tax Credit, is a tax credit that allows working parents to deduct a percentage of their child care costs from the federal income taxes they owe. Like the EITC, the CCTC is deducted from the total amount of money a family needs to be self-sufficient. Unlike the EITC, the federal CCTC is *not* a refundable federal tax credit; that is, a family may only receive the CCTC as a credit against federal income taxes owed. Therefore, families who owe very little or nothing in federal income taxes will receive little or no CCTC. In 2005, up to $3,000 was deductible for one qualifying child and up to $6,000 for two or more qualifying children.

The federal Child Tax Credit (CTC) is like the EITC in that it is a refundable tax credit. The CTC provides parents with a deduction of $1,000 for each child under 17 years old or 15% of earned income over $11,000, whichever is less. For the Standard, the CTC is shown as received monthly, except in the modeling tables (discussed in the document, *Modeling the Impact of Supports on Wages Required to Meet Basic Needs*).

Sources: Tax Credits

- Internal Revenue Service. EITC for Individuals. Retrieved from http://www.irs.gov/individuals/article/0,,id=150557,00.html
- Romich, J. L. & Weisner, T. (2000). *How families view and use the EITC: The case for lump-sum delivery*. Paper delivered at Northwestern University, Joint Center for Poverty Research Conference.
- Internal Revenue Service. Publication 503. Child and Dependent Care Expenses. 2005. Retrieved from http://www.irs.gov/pub/irs-pdf/p503.pdf
- Internal Revenue Service. Publication 972. Child Tax Credit. 2005. Retrieved from http://www.irs.gov/pub/irs-pdf/p972.pdf
- Internal Revenue Service. Publication 17 (2005). Your Federal Income Tax For Individuals. Retrieved from http://www.irs.gov/publications/p17/index.html
- Internal Revenue Service. 1040A. 2005. Retrieved from http://www.irs.gov/pub/irs-pdf/i1040a.pdf
- State EITC Online Resource Center. Virginia. Retrieved from http://www.stateeitc.com/map/index.asp
- Virginia Department of Taxation. 2005 Virginia 760. Resident Individual Income Tax Booklet. Retrieved from http://www.tax.virginia.gov/Web_PDFs/indForms/currentyear/760instweb.pdf
- Virginia Department of Taxation. Tax Credits. Retrieved from http://www.tax.virginia.gov/site.cfm?alias=TaxCredit2#individ
- Virginia Department of Taxation. Spouse Tax Adjustment. Retrieved from http://www.tax.virginia.gov/site.cfm?alias=SpouseTaxAdjustment

---

This page intentionally left blank.

COUNTY OF LOUDOUN

DEPARTMENT OF BUILDING AND DEVELOPMENT

MEMORANDUM

DATE: May 30, 2007

TO: Cindy Keegan, Department of Planning

FROM: Mark Stultz, Deputy Zoning Administrator

SUBJECT: CPAM-2007-0001, Housing Policies

As requested, I am providing initial comments and observations regarding how the Zoning Ordinance may need amending to implement the proposed Housing Policies, if adopted.

1. Section 5-613 contains use regulations for accessory dwellings and apartments. This Section should be reviewed to ensure that it is adequate for addressing unmet housing needs.

2. With the creation of any new unit type to meet unmet housing needs, the Zoning Ordinance may need amending to include a definition of the new unit type and to permit it in various zoning districts. The 2 over 2 unit is an example of a unit type that isn't included in the Ordinance, and therefore has been determined to be most similar to a multi-family unit. The definition of a multi-family unit requires at least 5 units in a building.

3. Housing Policy # 1, on page 7 - Depending on the options established for addressing the unmet housing needs in the Transition Policy Area not covered by the ADU zoning ordinance, an Ordinance amendment will likely be necessary.

3. Housing Policy #2, on page 7 - Clarification is needed as to the unit type envisioned for the adaptive reuse of rural farm structures. In the AR districts, the current regulations would limit the conversion of these structures to a single family detached dwelling, an accessory dwelling, or for co-housing. Again accessory dwellings have additional regulations in 5-613. It is also important to note that the building code requires certain standards when converting non-residential structures to a residential use, which may make the conversion cost prohibitive.

4. Program and Incentives Policy #5, on page 8 - Depending on the incentives established to meet unmet housing needs, an Ordinance amendment will likely be needed to incorporate such incentives. The following comments are provided regarding the examples listed. The current ADU Ordinance allows for density bonuses for providing required ADUs. There is nothing in the Ordinance to allow for density bonuses beyond the current ADU Ordinance. Also, clarification is needed by what is meant by "density transfers". I don't believe there is enabling legislation to allow for density transfers. Furthermore, an Ordinance amendment will be needed to allow for modifications to the ADU zoning regulations beyond what is currently permitted (the amount of required ADUs and the timing of construction/availability of the ADUs). Zoning has also heard concerns from ADUAB that the compatibility and interspersion requirements for ADUs can be a

deterrent in providing affordable units. This should be reviewed with any proposed Ordinance amendment. (Modifications of non-ADU regulations are currently limited to only PD-districts.)

5. Legislation Policy #2, on page 9 - In addition to needed State enabling legislation, a Zoning Ordinance amendment will be needed to the ADU regulations to require ADUs in developments of less than 50 units and in buildings that are 4 stories or more in height with elevators.

6. Legislation Policy #3, on page 9 - More specifics are needed to determine if a Zoning Ordinance amendment is needed "to do as much as the state code allows to require the development of affordable housing." Coordination with the County Attorney's Office is needed to conduct this evaluation.

7. Legislation Policy #5, on page 9 - It is likely that an Ordinance amendment will be needed to allow for a broader range of housing types. Again, more specifics are needed as to what is meant by "alternative housing types" and what zoning districts would be appropriate for such housing types. In addition, I recommend that this Policy be reworded as follows: "The County will allow manufactured housing, accessory units, and other alternative housing types in all appropriate zoning districts."

The following are additional comments regarding the proposed Policy document that I don't believe were mentioned in the referral meeting held last Wednesday, May 23, 2007:

On page 3, paragraph 3, line #2 - I don't believe that the County has enabling legislation to require clustering, but rather can offer the cluster as a development option - with incentives to encourage that development pattern.

On page 3, paragraph 3, line #8 - While not in a specific Policy, additional clarification is needed by what is meant by "relaxation of use restrictions" to determine if an Ordinance amendment is necessary. The ADU Ordinance currently allows for decreased lot (lot size, lot width and yard) requirements and permits a variety of unit types in several districts.

On page 3, paragraph 3, line #11 - There is a reference to "existing villages and rural clusters" with regards to permitting accessory structures. I assume that these terms refer to the Village Conservation Overlay Districts (VCOD) and the AR-1 and AR-2 cluster options in the Zoning Ordinance. The VCOD does not have a specific use list, but rather the uses are based on the underlying zoning districts, which are typically A-3, RC and CR. Except for the RC, accessory dwelling are permitted uses, subject to the use standards in 5-613. RC does permit "residential uses". There is also a reference to allowing a variety of housing types in the JLMA districts. Currently, the JLMA-1, 2 and 3 districts permit accessory dwellings and SFD dwellings, including manufactured housing. Tenant dwellings require a SPEX in these districts. JLMA-20 permits SFD and tenant dwellings by right. Again the additional regulations of Section 5-602 and 5-613 apply to tenant and accessory dwellings.

Commonwealth of Virginia
STATE BOARD OF ELECTIONS
804-864-8901 **OR** Toll-free within Virginia 800-552-9745

200 N. 9th Street, Room 101
Richmond, Virginia 23219-3497
TTY Toll-free within Virginia 800-260-3466
12/17/04

REFERENDUM PROVISIONS
In General

No referendum may be placed on the ballot unless it is specifically authorized by law. Some provisions authorize local governing bodies to request court orders to place issues on the ballot; others permit voters to petition for the election. Some authorize elections to be held for a county or a city; some for a town; and some for the local election district from which a member of the local governing body is elected.

Such provisions of Virginia law, where they exist, set forth the specific question that must appear on the ballot. This question must appear on the petition that will be circulated.

Once it is determined that the question and voter petitions for it are authorized by law, you must follow the procedures in this bulletin and use the petition form attached to it. It also is suggested that you consult with an attorney to assure compliance with all legal requirements.

A. Prior To Circulating Petitions

1. Prepare the petition form. Use the form attached and insert the question to be placed on the ballot. The question must be listed **exactly** as shown in the law authorizing the referendum. In some cases, you are required to insert specific information.

2. Before circulating any petition pages, one individual who is a registered and qualified voter of the county, city, town or local election district in which the referendum will be held must file with the clerk of circuit court of the county or city:

   a. a statement which lists the petitioner's:

      1) name;
      2) residence address;
      3) mailing address, if different from residence address; and
      4) if any, the name of the organization represented by the petitioner in circulating the petition.

   b. a copy of the petition which states the question as set forth in the law authorizing it.

   The individual who signs this statement should be the person who will be responsible for the petition drive and the filing of the petitions that have been circulated.

3. The clerk of circuit court must certify, **within ten days of the filing of the above documents**, that he has received and accepted the petition copy and statement.

B. Circulating Petitions

1. Begin circulating **only after** receiving the clerk's certification.

2. Each person who circulates a petition page must:

   a. be either qualified to vote or qualified to register to vote in the jurisdiction in which the referendum will be held;
   b. see each person sign that petition page; and
   c. complete and sign, before a notary, the affidavit on each petition page he/she circulates.

3. Each petition must:

   a. contain the signatures of qualified voters of the applicable county, city, town or local election district equal to or more than the number required by the law authorizing the referendum; and

   b. contain the date signed and **full printed name and residence address** of each voter.

   For the number of signatures required, call the State Board of Elections; it is recommended that you obtain at least half again the number required to assure that a sufficient number are qualified.

C. Filing Petitions

1. Petitions must be filed with the court no later than nine months following the clerk's certification **OR** early enough to allow the general registrar to verify the petitions and allow the court to enter its order calling the election at least 60 days before the election date, whichever is earlier.

   For some petitions, the law provides a specific deadline; this deadline must always be met.

2. A suggested format for the court order which should be presented with your petitions to the court for its signature is attached.

D. Other Requirements

1. The law authorizing a referendum may specify the time at which it must be held.

2. A referendum must be held on a Tuesday and cannot be held (i) on the same day as a primary election; (ii) in the 60 days preceding a primary or general election; (iii) in the 24 days following a primary election; or (iv) in the 35 days following a general election. Voting equipment must remain sealed during these last two periods in the event of a recount or contest.

3. If the referendum is required to be held at the same time as a regularly scheduled November election or, for cities or towns, at the same time as a regularly scheduled May election, the court order is **not** required to be submitted by the chief legal officer of the county or city to the United States Justice Department pursuant to the Federal Voting Rights Act.

   If the date of the election is discretionary, submission **must be made** to the United States Justice Department pursuant to the Federal Voting Rights Act.

4. The law authorizing a referendum may limit how often the question may appear on the ballot.

5. Other requirements or limitations may be specified in the law authorizing the referendum.

HOUSING FUNDS CONSOLIDATION:

On April 3, 2007, the Board of Supervisors asked the Joint Trust Fund Committee (made up of ADUAB, Housing Advisory Board, and IDA members) to continue to work together to consolidate available housing funds into a unified housing trust. The purpose of the consolidation is to allow more opportunity to leverage Federal, State, and private funds and to simplify and make more efficient fund accounting and administration. The Committee was asked to draft recommendations for the Board to consider, including funding priorities and a fund dispersal process. The Board asked that the terms of the County of Loudoun Housing Trust be modified to broaden the beneficiaries of the Trust, so that a variety of programs could be supported, such as development of affordable rental housing; the provision of accessibility grants for the mobility impaired to enable them to stay in their homes; home improvement loans for neighborhood revitalization; closing costs for critical workers that are hard to hire due to the lack of affordable housing; and for community infrastructure grants to provide indoor plumbing or connections to public facilities. Fund consolidation is to include the following funds (fund amounts as of January, 2007):

(a) <u>Belmont Ridge Affordable Housing Trust</u> ($650,793)

This fund was established in October 1992 as a 30 year trust that will expire in 2022. The fund is to be used "to provide eligible buyers with money for a second mortgage for any unit in Belmont Ridge, whether it was originally sold as an affordable unit or not." The use of this fund is restricted to the Belmont Ridge development and is virtually unusable given the increase in property values in that neighborhood. The Trust Agreement does not provide for amendments. In order to use the funds before the Trust's expiration, at Board direction, the County is seeking reformation of the Trust Agreement through a legal process to release the funds for affordable housing purposes.

(b) <u>County of Loudoun Housing Trust</u> ($3,762,791)

This fund was established in August 1997. The significant current balance is by and large the result of the March, 2005 Board of Supervisors' approval of the conversion of ADU rental apartments to ADU for-sale condominiums at the Summerfield at Brambleton development. Fifty-six condominiums were sold at market price and, since October 2005, this fund has steadily received money to total $3,465,492 from the proceeds of the condominium sales. The Board of Supervisors recently committed $250,000 of this Trust to the Habitat for Humanity St. Louis project on the recommendation of the ADUAB. This fund was established "to further the provisions of affordable dwelling units in Loudoun County. . . To spend the monies in the Trust in the manner in which the Trustee [Board of Supervisors] deems most appropriate in order to further the provision of affordable dwelling units to the Beneficiaries." Beneficiaries are defined as persons who qualify for the ADU program with incomes from 30% to 70% AMI. This Trust was set up to be funded by the cash proceeds of the sale of ADUs at market price, the "cash in lieu" provisions of the ADU Ordinance, and as a repository for affordable housing proffers. The Trust Agreement currently limits expenditures to the benefit of persons with incomes from 30% to 70% AMI and allows for modification. The Board directed that the agreement be modified to broaden the income ranges that benefit from it to support a broader range of programs.

(c) <u>Housing Fund</u> ($402,218)

In July 2004, the Board of Supervisors established a Housing Fund and allocated one million dollars to this fund to be used for workforce housing initiatives. The Board appropriated $280,000 of this fund to be used for revitalization of owner-occupied homes in eastern Loudoun neighborhoods (Eastern Loudoun Revitalization Program). The Housing Advisory Board expended $29,839 for the AECOM Consult study to determine the workforces' housing needs. The Board of Supervisors allocated $81,000 for Birmingham Green and, based on a Housing Advisory Board recommendation, the Board committed $250,000 to be used for the plumbing improvements necessary for residents of Willisville to connect to the wastewater treatment system that is being constructed.

(d) <u>Affordable Housing Proffers</u> ($2,602,392)

(This balance includes cash contributions committed or paid plus escalators and interest and does not include disbursed proffers to programs.) Historically, funds were proffered for affordable housing before the adoption of the ADU Ordinance. These proffered funds were used by the Board of Supervisors to establish the County's Down Payment and Closing Cost Assistance Program. Generally, the most recent proffer accumulation is the result of providing cash in lieu of ADUs as an approved modification to the ADU Ordinance by the Board. A few recent proffers are from developments not regulated by the Ordinance. Not all proffered amounts have been received as of yet given the terms of the proffer agreement. Most proffers that include cash commitments also include an escalator, so that their value increases until paid. All proffer accounts collect interest. Proffered funds generally accumulate slowly as they are usually tied to building permits. Consequently, these proffered funds have been steadily provided over the past couple of years. Not all of the proffered funds have been paid since some of the developments are still under construction. These funds are restricted in the proffer to use for affordable housing purposes and should likely be placed in the County of Loudoun Housing Trust pending proffer interpretation.

Toolkit for Affordable Housing Development

Developed by:
The Washington Area Housing Partnership

ATTACHMENT 1-H

A-41

Washington Area Housing Partnership Board Members

Barbara Favola
Member of the Arlington County Board
Chair of the Washington Area Housing Partnership

Olive Akhigbe
Senior Director
Housing Initiatives-Washington D.C.
Fannie Mae Foundation

Fran Becker
Executive Director
Carpenter's Shelter

Michael Bodaken
President
National Housing Trust

Robert Boulter
President
Faithworks

David Bowers
Director
Enterprise Foundation
Washington DC Office

Terri Copeland
Senior Vice President, Community Affairs
SunTrust Bank

Conrad Egan
Executive Director
National Housing Conference

Kim Henderson
Director of Housing & Community Development
Greater Washington Urban League

Victor Hoskins
Director of the Maryland Department of Housing & Community Development

Catherine Hudgins
Supervisor
Fairfax County Board of Supervisors

Oramenta Newsome
Director
Local Initiative Support Corporation
Washington DC Office

Toni M. Ostrowski
Housing Initiatives Officer
Virginia Housing Development Authority

Robert Pohlman
Executive Director
Coalition for Nonprofit Housing & Economic Development

John Robinson
Commissioner
Montgomery County Planning Board
M-NCPPC

Stacy Silber
Partner
Holland & Knight LLP

Thomas Thompson
Director of Housing & Community Development
Prince George's County

Cover Photo Credits

Main cover photo:
13th and S Street NW
Washington, DC
Source: Steve Kania, COG

Minor cover photos listed from left to right:

Andrew Kim House
Montgomery County, MD
Source: Steve Kania, COG

Silo Hill Self-help Housing
Emmitsburg, MD
Source: Interfaith Housing

Gallery in Arlington
Source: Arlington County Community Planning, Housing, and Development

Gum Springs
Source: Fairfax County Department of Housing and Community Development

A42

Acknowledgements

The Washington Area Housing Partnership would like to thank the Enterprise Foundation, the Fannie Mae Foundation, Meyer Foundation, the Morris and Gwendolyn Cafritz Foundation, Prince Charitable Trusts, and SunTrust Bank for their support of this project. We would also like to thank the authors of this report, Sophie Shen-2005 Housing Intern, Stacy Pethia-Housing Planner, and John Mataya-Housing Planner with the Metropolitan Washington Council of Governments.

The Washington Area Housing Partnership would also like to give a special thanks to the following housing and community development directors and their departments. Each of these jurisdictions contributed to the toolkit by providing detailed information about which affordable housing programs they utilize while highlighting the unique attributes that make these programs successful.

Ken Aughenbaugh
Director of Housing and Neighborhood Division
Arlington County

Julián Bermudez
Director of Housing and Community Development
Prince William County OHCD

Celia Craze
Director of Planning and Community Development
City of Greenbelt

Arthur D. Chambers
Director of Community Planning and Development
City of Rockville

Sara Anne Daines
Director of Economic and Community Development
City of Takoma Park

Mildrilyn Davis
Director of Office of Housing
City of Alexandria

Elizabeth Davison
Director of Housing and Community Affairs
Montgomery County

Jalal Greene
Director of Housing and Community Development
District of Columbia

David Hudson
Director of Community Development and Planning
City of Fairfax

Louise Kauffmann
Director of Community Development
City of Gaithersburg

Joseph Meinert
Director of Planning and Economic Development
City of Bowie

Dan Painter
Director of Planning and Zoning
City of Manassas Park

Paula Sampson
Director of Housing and Community Development
Fairfax County

Terry Schum
Director of Planning
College Park

Jennifer Short
Director of Housing and Community Development
Frederick County

Raymond Spicer
Director of Housing and Human Services
City of Falls Church

Hope Stonerook
Assistant Director of Social Services
Loudoun County

Tommie Thompson
Director of Housing and Community Development
Prince George's County

Elizabeth Via
Director of Community Development
City of Manassas

A43

Table of Contents

Page

A-44

Table of Contents

Page

A-45

Introduction

The Washington Area Housing Partnership's *Toolkit for Affordable Housing Development* is a compilation of policies and planning tools that local governments can use to preserve and promote affordable housing development in their respective jurisdictions. Local leaders have identified the need for more housing that is affordable to individuals in the public and service sectors of the economy. Steady job growth and excellent public schools have made the metropolitan Washington region a desirable place to live, spurring high home values and encouraging the creation of expensive, single-family and multi-family units.

This has put enormous pressure on localities striving to create communities where all citizens can afford to live. Service workers abound in this area because the region's prosperity supports workers in restaurants, spas, child care facilities, landscaping companies, and other jobs. More teachers, police officers, firefighters and other government service workers are also needed as the region's population grows. The region's wealth, however, is not being adequately distributed with respect to the housing market.

Across the region, many families and individuals earning service wages move in and out of homelessness. Transitional housing or housing with support services are designed to help families locate affordable places to live. The U.S. Department of Housing and Urban Development defines "affordable" to mean housing costs should consume no more than 30% of the household's gross income.

Additionally, there are segments of the population living on very low, fixed incomes because of age or disabilities that affect a person's earning capacity. Studies have demonstrated that targeting public dollars to provide stable housing for these groups is a good investment because social service spending is reduced once such populations are living in housing they can afford.

Government programs and affordable housing policies can help ensure a vibrant, diverse, and economically sustainable region. This toolkit will provide local officials with successful strategies and new ideas for preserving and creating more housing units for the scores of hard-working citizens and others who can't afford to live in this region.

A46

For more information about the Washington Area Housing Partnership and it's programs, please contact:

Keith Fleury
Manager
Housing Programs

Metropolitan Washington Council of Governments
777 N Capitol Street, NE
Suite 300
Washington, DC 20002

Phone: (202) 962-3346
www.wahpdc.org

How to Use the Toolkit

The toolkit has been divided into eight sections. Section I presents programs and policies designed to encourage the development of affordable housing while Section II discusses ways to preserve the existing affordable units. Section III showcases design concepts helping to meld affordable units into surrounding communities, thereby reducing community resistance to such projects. Funding resources for both new development and preservation projects are presented in Section IV. Sections V, VI and VII discuss homeowner and rental assistance programs, as well as housing for special needs populations. Finally, Section VIII provides information on affordable housing education and advocacy tools.

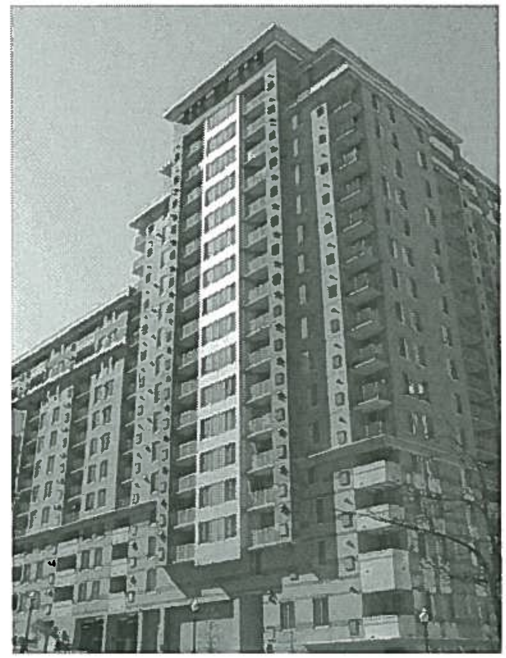
Policies and programs encouraging the preservation and production of single-family and multi-family housing are included in this document. A brief description is provided for each, as well as resources for further information. Check the left sidebar for related websites and contact information. The best practice tools that are included and highlighted in the toolkit are noted in the "In Practice" sections of the toolkit. For more details on some of the affordable housing programs each jurisdiction in the region maintains, please refer to the Summary of Local Affordable Housing Programs table in the Appendix. All material was reviewed by local elected officials.

We hope the information in this document proves useful to your efforts to provide affordable housing options. While every effort has been made to provide the most up-to-date and accurate information, localities are constantly forming new programs and improving existing ones to keep pace with the ever-changing affordable housing needs of area residents. Many affordable housing programs and strategies are being used throughout metropolitan Washington; however, not every program in the region could be highlighted in this toolkit. The Washington Area Housing Partnership is continually collecting information for updates to the toolkit and welcomes any suggestions you may have for future editions.

A·47

SECTION 1: AFFORDABLE HOUSING DEVELOPMENT

One of the challenges of a growing region is how best to provide housing for an economically diverse workforce. New market-rate residential developments tend to be large-scale and include all modern conveniences and technology which, while affordable to upper-income homebuyers, are out of reach to moderate–and low-income households. A variety of tools are available to help localities encourage the production of affordable housing while helping developers attain a reasonable profit for their work. Planning and zoning tools, such as decreased minimum lot sizes and parking requirements, and developer incentives help to decrease the cost of production and make units more affordable to some of the most vital workers of our local economy.



The Gallery in Rosslyn
Courtesy of: Arlington County Community Planning, Housing, and Development

A48

Planning & Zoning Tools

Rigid zoning and land use controls may limit the development of affordable housing. Growth control measures designed to protect open space increase the base cost of the land available for residential development. Local zoning regulations, such as minimum lot sizes and parking requirements, can also add to the cost of housing development.

However, a variety of zoning and land use tools are available to remove barriers and encourage the development of affordable housing. This section of the report will highlight and examine the following planning and zoning tools:

- Inclusionary Zoning
- Minimum Lot Sizes & Setbacks
- Affordable Housing Districts
- Infill Housing Development
- Expedited Permitting
- Affordable Dwelling Unit Ordinance

A·49

For more information:

Montgomery County
Department of Housing and Community Affairs

100 Maryland Avenue
4th Floor
Rockville, MD 20850

Phone: (240) 777-3600

Website:
www.montgomerycountymd.gov/mpdu

1.1. Inclusionary Housing

Designed as a local regulatory tool, inclusionary housing (zoning) requires developers to include a number of affordable homes in new residential developments over a certain size. The number of affordable units to be included in the new developments is based on a percentage of the total number of units in the development (generally 12% - 15%). The cost of providing the affordable units is offset with a density bonus. The affordability level of the designated units can target one income group, such as households earning 50% of the median income, or may serve a range of incomes. Additionally, the resale price of the affordable units is restricted for a number of years.

Highlights

- **Must be enacted through local ordinance.**
- **Applies to new residential developments at and above a certain size (e.g., 50 units or more).**
- **Cost of developing the affordable units is generally offset with a density bonus.**
- **Affordable units may target particular income groups or serve a range of incomes.**
- **Price controls are set for a number of years (e.g., 20—30 years).**

In Practice

Montgomery County, Maryland. Enacted in 1974, the county's Moderately Priced Dwelling Unit (MPDU) Ordinance requires developers of projects of 20 or more units to make 12.5% to 15% of the new units affordable to lower-income households. In exchange for the affordable units, developers are granted a 22% density bonus. An MPDU has a legally enforceable control period of 30 years from the date of settlement and if the unit is sold during this time period the price is determined by the MPDU office. Owners are required to live in the MPDU as their primary residence throughout the 30 year time period. Since the inception of the ordinance in 1976, more than 11,800 affordable units have been developed. Developers reported their profits on projects with inclusionary units were about equal to those of market-rate developments.

A50

For more information:

City of Fremont
Planning Division

39550 Liberty Street
Fremont, CA 94538

Phone: (510) 494-4500

Website:
www.ci.fremont.ca.us/Construction/DevelopAffordableHousing/

1.2. Minimum Lot Sizes & Setbacks

Reducing minimum lot sizes or setbacks required for new residential development increases project density and decreases the cost of housing development. While technically not an affordable housing program, the cost savings associated with reduced lot sizes and setbacks make the development of affordable units more feasible. Smaller lot size and setback ordinances may be applied to any new development in a jurisdiction, or may be restricted to target areas where a locality wishes to encourage affordable housing development.

Highlights

- **Must be enacted through local ordinance.**
- **Reduces cost of housing development by allowing higher density.**
- **May apply to all new development in a jurisdiction.**
- **May be used only in areas targeted for affordable housing development.**

In Practice

Fremont, California. The city has developed a multi-family zone with clear incentives to encourage appropriate multi-family developments in low, medium, and high density areas of the city. Proposed developments may qualify for a density bonus if the project includes reduced minimum lot setbacks or reduced parking requirements. Additional incentives such as streamlining the permitting process are bundled within the program to attract diverse types of affordable units within the multi-family zone.

A-51

For more information:

Grand Forks
Housing Authority

1405 1st Avenue N
Grand Forks, ND 58203

Phone: (701) 746-2545

Website:
http://grandforksgov.com/Affordable%20Housing.pdf

1.3. Affordable Housing Districts

Affordable Housing Districts are areas targeted for affordable housing development. Within these areas, special zoning exceptions may be applied, such as relaxing of height restrictions and decreasing parking requirements, to offset developer costs of producing affordable housing. Affordable Housing Districts are often formed in urban neighborhoods where the cost of developing new housing is high, but can be created in any areas where affordable housing is needed.

Highlights

- **Targets areas for affordable housing development.**
- **May be located in urban, suburban or rural areas.**
- **Costs of developing affordable units are offset with zoning exceptions, such as relaxed height restrictions and reduced parking requirements.**
- **Usually applied with other incentives.**

In Practice

Grand Forks, North Dakota. Grand Forks started developing affordable housing districts in 2002. In exchange for special concessions on tax assessments and land standards, developers in these areas agree to build higher density, smaller entry-level homes. In the years prior to these efforts, only 14 affordable units were built in the entire city. However, since 2002, of the 106 homes built in the affordable housing districts, over 57% meet affordable housing target prices.

A52

For more information:

[City of Phoenix](http://phoenix.gov/BUSINESS/inflinct.html)
[Business Customer Service Center](http://phoenix.gov/BUSINESS/inflinct.html)

1st Floor
Phoenix City Hall
200 W Washington Street
Phoenix, AZ 85003

Phone: (602) 534-2000

Website:
http://phoenix.gov/BUSINESS/inflinct.html

1.4. Infill Housing Development

Infill housing development is generally used in urbanized areas to encourage the development of vacant land or the redevelopment of blighted properties. It is a valuable land use tool for localities interested in limiting suburban sprawl and implementing smart growth policies. Prime locations for infill development include downtowns, economically depressed neighborhoods ripe for revitalization, transit corridors and any location near employment, shopping, recreational and cultural centers.

Infill development can be expensive, so developer incentives are often employed to help reduce the costs of residential development. Incentives such as upgrading the local infrastructure, adding public amenities and lowering impact fees encourage residential infill development and make the inclusion of affordable units more feasible.

Highlights

- **Useful in urban areas such as downtowns, economically depressed neighborhoods, transit corridors and locations near employment, shopping, recreational and cultural centers.**
- **Limits suburban sprawl and promotes the principals of smart growth.**
- **Developer incentives encourage the inclusion of affordable housing in new residential developments.**

In Practice

Phoenix, Arizona. The City of Phoenix offers several incentives designed to encourage residential infill development. Supported by a 1995 ordinance, Phoenix is able to waive a number of development related fees, contribute to the cost of off-site improvements, and focus blight control efforts in targeted infill development areas. Phoenix also created an "Infill Development Team" to help speed infill projects through the city planning process. Since establishment of the program, 3,175 new single-family homes have been built with approximately one-third of the units affordable for low- and moderate-income families.

A53

For more information:

City of Santa Fe
Division of Community Development

200 Lincoln Avenue
Santa Fe, NM 87504

Phone: (505) 955-6568

Website:
www.santafenm.gov/community-services/community-development/affordable-housing.asp

1.5. Expedited Permitting

Delays during any stage in the development process add to the final costs of new housing. Reducing the costs incurred by developers during the development review process makes affordable housing projects more attractive. Expedited permitting is a cost-efficient and very effective way of reducing developer costs. Fast-tracking review and permitting of affordable housing projects reduces developer costs at no cost to local jurisdictions.

Highlights

- **Fast-tracking review and permitting processes for residential development that include affordable housing units.**
- **Helps developers of such projects retain profit margin.**
- **The program can be employed at no cost to local jurisdictions.**

In Practice

Santa Fe, New Mexico. By the early 1990s, three quarters of Santa Fe's residents could not afford a median priced home, and housing costs were 40% above the national average. Complicated development processes and restrictive land use policies further hampered efforts to provide affordable housing opportunities. Santa Fe accelerated the processing of housing developments that include at least 25% affordably priced homes. The City also waived or reduced various impact, processing, and permitting fees for affordable housing developments. Expedited permitting, along with other zoning & planning tools, has helped make nearly 16% of all new homes built in Santa Fe during the last decade are affordable for working families.

A54

For more information:

Fairfax County
Redevelopment and
Housing Authority

3700 Pender Drive
Fairfax, VA 22030

Phone: (703) 246-5185

Website:
www.co.fairfax.va.us/rha/adu/aduprogram.htm

1.6. Affordable Dwelling Unit Ordinance

The Affordable Dwelling Unit Ordinance is a compulsory law. Under the ordinance, homebuilders are given a density bonus of up to 20% in return for insuring that a certain percent, 12.5% for example, of the total units will be affordable to households earning less than the area median income. The ordinance applies to for-sale and rental developments of 50 units or more and where the density is greater than one unit per acre. Included in the ordinance are guidelines for the location of the affordable units within the development and descriptions of properties not subject to the law.

Highlights

- **Enacted by local ordinance.**
- **Developers are granted a density bonus of 20% in exchange for including affordable units in their development.**
- **Includes both for-sale and rental housing units.**
- **Provides guidelines for the location of the affordable units within the development.**

In Practice

Fairfax County, Virginia. Fairfax County adopted the Affordable Dwelling Unit Ordinance (ADU) in 1990 to help ensure a sufficient stock of affordable housing units in the county. The ordinance requires developers of residential projects with 50 or more for-sale or rental units to make 12.5% of the total number of housing units affordable to households earning less than 70% of area median income. For rental projects, developers are generally required to provide 6.25% of the new units to households at this income level. In exchange, developers are granted a density bonus of up to 20%.

Units built under the ADU ordinance must retain their affordability for 15 years. However, the County is considering extending the affordability period to 30 years for new developments, and offering incentives to current owners who may be re-selling their units to extend the affordability period to 30 years at transfer. The Fairfax County Redevelopment and Housing Authority has the right to purchase up to one-third of the units.

A55

Developer Incentives

As with most goods, the costs of producing a housing unit are passed on to consumers in the form of sale prices and monthly rents. And, as with most manufacturers, housing developers want to maximize their profits. Therefore, any costs the developer incurs during development will impact the price local households pay for their housing—the higher the costs to the developer, the higher the costs of local housing.

One Metropolitan Park
Courtesy of: Arlington County Community Planning, Housing, and Development

Developer incentives lower the cost of residential construction and make affordable housing development more feasible. Incentives, such as density bonuses and impact fee waivers, can be provided to developers at no cost to local jurisdictions while infrastructure and public amenity improvements require financial investments by localities.

The Developer Incentives section of this report will focus on the following programs:

- Density Bonuses
- Impact Fee Waiver & Proportional Impact Fees

A56

1.7. Density Bonuses

Density bonuses are granted for projects in which the developer agrees to include a certain number of affordable housing units. Essentially, for every one unit of affordable housing a developer agrees to build, a jurisdiction allows the construction of a greater number of market rate units than would be allowed otherwise. Most often, density bonuses vary from project to project and do not exceed a particular threshold (for instance, 20% of normal density) determined by local officials.

Highlights

- **Permits developers to build more units at a site than regular zoning allows.**
- **Provided in exchange for the developer's agreement to build affordable housing on site.**
- **Density thresholds (such as 20% of total density) are set by local jurisdictions.**
- **Bonuses can be provided at no cost to local governments.**

In *Practice*

San Diego, California. The County of San Diego has four specific density bonus policies.

The State Density Bonus Law allows a 25% increase in the number of housing units with the requirement that for the next 30 years, at least 10% of total units be reserved for very low-income households, or 20% of total units be reserved for low-income households, or 50% of total units be reserved for qualifying senior citizens.

The Affordable Housing for the Elderly Program targets senior citizens requiring that all units housing elderly persons reserve 35% of total units for very low-income elderly households. Although the increase in the number of allowable units is negotiated on a case-by-case basis, this policy allows up to 45 units per acre within designated areas.

The Mobile-home Park Density Bonus permits mobile home park developments a density of up to 8 units per acre within and beyond established urban service areas.

The Housing for Lower Income Families Program allows the development of low-income housing with up to 20 units per acre in designated areas, provided that all of the units are affordable to low-income families.

For more information:

County of San Diego
Department of Housing and Community Development

3989 Ruffin Road
San Diego, CA 92123

Phone: (858) 694-4877

Website:
www.sdcounty.ca.gov/sdhcd/organizations/developer incentive.html

A57

For more information:

City of Santa Fe
Division of Community Development

200 Lincoln Avenue
Santa Fe, NM 87504

Phone: (505) 955-6568

Website:
www.santafenm.gov/community-services/community-development/affordable-housing.asp

1.8. Impact Fee Waiver and Proportional Impact Fees

Impact fees are one-time charges assessed on new developments to help pay for new or expanded infrastructure to serve them. Revenue collected through impact fees helps fund the expansion of water and sewer lines to the new development, the building of new or improvement of existing roads or sidewalks in the area, and the creation of public amenities such as parks or new schools.

Like all the other development costs, impact fees add to the final cost of housing. To make affordable housing projects more attractive to developers, many localities offer to waive the impact fees associated with developments which include affordable housing units.

Alternatively, a "proportional" impact fee program may be developed in which impact fees are adjusted according to the size of the housing unit or the location of the new housing. Larger homes and those located in outlying areas where infrastructure does not currently exist, usually command a higher fee than smaller, in-town units.

Highlights

- **Encourages affordable housing development by lowering developer costs.**
- **Makes affordable housing development more feasible in high-cost areas.**
- **Impact fees based on housing size, may encourage the development of smaller, less expensive housing units.**

In Practice

Santa Fe, New Mexico. Santa Fe offers impact fee waivers to private, for-profit, and nonprofit developers creating developments in which at least 25% of the units are affordable to low-income households. Fees are reimbursed or waived for the affordable units only once the developer certifies the sale price, size of unit, size of household, and the household income meet affordable standards.

A58

SECTION 2. AFFORDABLE HOUSING PRESERVATION PROGRAMS

Silo Hill
Emmitsburg, MD
Source: Interfaith Housing

In rapidly growing areas such as the metropolitan Washington region, one of the greatest risks to the affordable housing stock is the conversion of existing affordable housing units to market-rate units. Affordable rental units are most at risk and are lost through a variety of means, such as condominium conversions and property renovations. Affordable single-family homes are lost when property taxes and strict housing code enforcement raises the cost of property maintenance above levels lower-income households can afford. And the affordability of both types of housing decreases as the costs associated with public services increase.

The following are descriptions of strategies local jurisdictions have implemented to help preserve affordable housing units in their jurisdictions.

- Tipping Fee Waiver Program
- Housing Rehabilitation Programs
- Multi-Family Improvement Programs
- Expiring Use of Federal Subsidies

A59

For more information:

Frederick County
Department of Housing and Community Development

520 N Market Street
Frederick, MD 20701

Phone: (301) 694-1061

Website
www.co.frederick.md.us/Housing/afford able_housing_fee_deferral.htm

2.1. Tipping Fee Waiver Program

Tipping fees are assessed by local jurisdictions to cover the cost of landfill operations. Such fees can make the cost of homeownership unaffordable for many lower-income households, but can be minimized through the implementation of a tipping fee waiver program.

Highlights

- **No-interest deferral loan.**
- **Available to households earning no more than 40% of area median income.**
- **Loan is repaid upon sale of property, title transfer, or when it is no longer used as primary residence of applicant.**
- **May be applied to both new for-sale and rental properties.**

In Practice

Frederick County, Maryland. Frederick County's Tipping Fee Waiver Program is available for new residential projects which are sponsored by a nonprofit group. It is provided as a no-interest deferral loan on properties purchased or rented by households earning no more than 40% of area median income. Repayment of the loan occurs when the unit is resold, a transfer of title occurs, or the unit is no longer used as the primary residence of the applicant.

A60

2.2. Housing Rehabilitation Programs

Upkeep of old housing can be costly for low-income homeowners, especially the elderly who often rely on fixed incomes. In some areas, homeowner rehabilitation programs are available to low- and moderate-income households to assist them with indoor plumbing repairs, correcting health and safety issues, increasing energy conservation and preventive home maintenance. Assistance is usually provided as low-interest loans.

Highlights

- **Assist households with the costs of rehabilitation and maintenance.**
- **Available to low- and moderate-income homeowners.**
- **Assistance provided in the form of a low-interest loan.**

In Practice

Prince George's County, Maryland. Prince George's County Single Family Housing Rehabilitation Loan Assistance Program provides financial assistance to people of limited financial means for the purpose of upgrading older, substandard homes to contemporary minimum property standards. Funding for the program comes from a variety of sources including federal Community Development Block Grants (CDBGs) and HOME funds. All financial and construction management services are provided by the County's Housing Development Division.

For more information:

Prince George's County Department of Housing and Community Development

9400 Peppercorn Place
Largo, MD 20774

Phone: (301) 883-5501

Website:
www.co.pg.md.us/Government/AgencyIndex/HCD/PDF/Single_Fam_Rehab_Brochure.pdf

A61

For more information:

District of Columbia
Department of Housing and Community Development

801 N Capitol Street NE
Suite 8000
Washington, DC 20002

Phone: (202) 442-7200

Website:
http://dhcd.dc.gov/dhcd/cwp/view,a,1243,q,556258,dhcdNav_GID,1574,dhcdNav,|32177|,.asp#FHRLP

2.3. Multi-Family Improvement Programs

Older, multi-family structures are a good source of affordable rental housing. However, these buildings are also at great risk of being lost due to aging structural problems and property neglect. Many localities are now offering financial and technical assistance to property owners who cannot afford to upgrade their rental properties. In return, the owners agree to preserve some or all of the rental units for lower-income families. The assistance is generally provided as a low- or no-interest loan.

Tax abatement programs, in which tax increases due to property improvements are reduced for a number of years, can also be offered as an incentive to multi-family property owners.

Highlights

- **Corrects building code and safety issues in older rental properties.**
- **Low– or no-interest loans to property owners.**
- **Property tax abatements for property owners whose taxes increase due to property improvements.**
- **Technical assistance may be provided by localities.**
- **Assistance provided if owner agrees to preserve affordable rental units.**

In Practice

Washington, District of Columbia. The Department of Housing and Community Development (DHCD) administers a Multi-Family Rehabilitation Program (MFRP) that assists the acquisition and/or rehabilitation of multi-family properties of five or more units in the District of Columbia for both rental and homeownership purposes. The program is funded by federal CDBG and HOME funds along with the local Housing Production Trust Fund (HPTF). Projects for funding are competitively solicited twice a year through a Request for Proposal process. DHCD funds approximately 1,300 multi-family units annually through this process.

Projects with units assisted by the MFRP must be occupied by households earning 80% or less of the median income in metropolitan Washington. Affordability requirements vary depending on the specific project funding source.

A62

For more information:

City of San Francisco Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102

Phone: (415) 749-2592

Website:
www.sfgov.org/site/sfra_page.asp?id=5607

2.4. Expiring Use of Federal Subsidies

Federally subsidized rental housing is a valuable resource for low-income families. Under a contract with the Department of Housing and Community Development (HUD), property owners provide reduced-rent units to very low-income households for a number of years (typically, 20 years). However, federal subsidies on an unprecedented number of apartments set aside for low-income tenants nationwide will expire between now and 2006. At the end of the contract period, owners of the rental properties have the option of converting the once subsidized units to market-rate rental housing. Such units are known as Expiring Use Housing. Localities may try to find additional funding to preserve expiring federal subsidized housing.

Highlights

- **Extends the life of affordable housing units for communities.**
- **Potential to adopt various affordable housing models to the property in order to keep the units affordable once the subsidy expires.**

In Practice

San Francisco, California. San Francisco guarantees lenders, owners, and purchasers of federally assisted housing that it will pay the difference between restricted rents and market rate rents if the federal government fails to provide Section 8 vouchers to existing properties. Restricted rents are the tax credit eligible or tax-exempt bond-eligible rents ranging between 45-60 % of the adjusted area median income. The program's success is attributed to local ordinances and code enforcement requirements, financial assistance for tenant organizing, substantial local funding, and efficient use of additional fiscal resources. The San Francisco Redevelopment Agency (SFRDA) also utilizes a leasehold structure where the city or SFRDA purchases the land under affordable housing developments and leases it to owners of the improvements for use as affordable housing for up to 99 years. This contributes to maintaining the developments' affordability as the federally-assisted developments are scheduled to be converted to market-rate housing.

A·63

SECTION 3.
AFFORDABLE BUILDING DESIGN

Artists Lofts of Mt. Rainer, MD
Courtesy of: Prince George's County

Historically, affordable housing units have been built using inexpensive materials with little thought given to incorporating their exterior design into the surrounding community. This has resulted in buildings that stick out like sore thumbs and increase community objections to affordable housing projects due to concerns about lowered property values.

Recently, however, things have begun to change. Many localities are now requiring housing developers to construct affordable units that blend in with the market-rate units in new residential developments. Design concepts, similar to Fairfax County's Great House Concept in which affordable units are masked with a façade similar to the single-family units in the neighborhood, are popping up around the country.

Other attempts to control the cost of affordable housing development include adapting existing buildings to residential development. One development in Bloomington, Indiana, converted an old hotel into 40 affordable housing units. And green building design, while not always cost-efficient during construction, creates energy-efficient housing that lowers monthly utility bills making market-rate housing more affordable for moderate-income families over time.

This section will highlight and examine the following affordable housing design concepts:

- Great House Concept
- Adaptive Reuse
- Green Building

A-64

3.1. Great House Concept

Communities have often opposed new affordable housing developments because they feared the new units would not fit in with the surrounding architecture. Recent developments in affordable housing design are changing the way affordable housing looks.

In Practice

Clarington Homes at Edgemoor
Courtesy of: Fairfax County Redevelopment and Housing Authority

Fairfax County, Virginia. Great House is an innovative architectural design concept for Affordable Dwelling Units. It offers an effective alternative to the traditional townhouse options by providing an attached unit that blends in better with detached housing units. The exterior resembles the larger, single–family detached homes that neighbor the Great House; however, inside, the structure is divided into two or more individual units.

3.2. Adaptive Reuse

Adaptive reuse projects create new housing in existing buildings once used for commercial, public or industrial purposes. Housing created through adaptive reuse projects can be made more affordable than new, market-rate developments since infrastructure is generally already present at the site.

In Practice

Bloomington, Indiana. The Bloomington Department of Housing and Neighborhood Development (H.A.N.D.) partnered with the owners of a motel to rehabilitate the rooms into 40 efficiency apartments and four one-bedroom units. The renovations included adding kitchen facilities and cabinets, as well as new wiring and plumbing. The city invested $156,000 from federal HOME funds that the owner must pay back if, after five years, the rents are increased to market-rate.

For more information:

Fairfax County
Redevelopment and Housing Authority

3700 Pender Drive
Fairfax, VA 22030

Phone: (703) 246-5185

Website:
www.fairfaxcounty.gov/rha/greathouse/greathouse.htm

Bloomington
Department of Housing and Neighborhood Development

401 N Morton Street
Suite 130
Bloomington, IN 47404

Phone: (812) 349-3420

Website:
www.bloomington.in.gov/hand/

A65

For more information:

U.S. Green Building Council

1015 18th Street, NW
Suite 508
Washington, DC 20036

Phone: (202) 828-7422

Website:
http://leedcasestudies.usgbc.org/overview.cfm?ProjectID=188

3.3. Green Building

Creating healthy indoor air quality, and utilizing renewable resources, green building designs use less energy than their conventional counterparts, which makes them more affordable to lower-income families in the long run. Smaller designs and alternative and salvaged building products rely less on precious resources and can cost less than traditional approaches.

Colorado Court
Courtesy of: www.usgbc.org

In Practice

Santa Monica, California. Colorado Court, a 44-unit building, is the first 100% energy neutral affordable housing project in the United States. Innovative, sustainable energy technologies developed for the project include a natural-gas turbine system providing the building's hot water needs and a solar panel roof system generating the energy for the building.

A66

SECTION 4.
FINANCIAL TOOLS FOR AFFORDABLE HOUSING AND PRESERVATION

Residential development can be costly, especially in urban areas. And developers' desires for high returns on their projects only add to the final price for consumers. However, there are ways to reduce the high cost of housing while insuring respectable profits for developers.

Banneker Ridge, District of Columbia
Courtesy of: Coalition for Nonprofit Housing and Economic Development

This section of the toolkit will highlight and examine the following financial tools used for affordable housing and preservation:

- Housing Trust Funds
- Tax Exempt Bonds
- Low-Income Housing Tax Credits
- Community Development Block Grants
- HOME Funds
- Dedicated Revenue Source

A·67

4.1. Housing Trust Funds

Housing trust funds are powerful tools for providing locally targeted and managed assistance for affordable housing. The funds can have a variety of revenue sources, but among the most common are some portion of the local real estate transfer tax, penalties on late payments of real estate taxes, and fees on other real estate–related transactions. Each housing trust fund has a governing body that decides how the funds are used. Some support demand-side solutions, such as subsidizing the down payment on a home purchase by low- to moderate-income residents. Housing trust funds often address housing supply by providing financing, such as zero-interest loans or gap financing for affordable housing construction or preservation.

Highlights

- **Source of funding for affordable housing development or preservation.**
- **Low-interest loans to developers and non-profits.**

In Practice

Metropolitan Washington Region. The Washington Area Housing Trust Fund (WAHTF) is a housing loan fund that provides substantially below-market interest rate loans to nonprofit and for-profit affordable housing developers in the metropolitan Washington region. As of June 2005, the WAHTF has closed on seven loans totaling $925,000 leading to the creation or preservation of 646 units of housing. Funding activities have a regional focus providing loans to projects in the District of Columbia, suburban Maryland and Northern Virginia.

For more information:

Washington Area Housing Trust Fund

777 N Capitol Street NE
Suite 300
Washington, DC 20002

Phone: (202) 962-3302

Website:
www.wahtf.org

A·68

For more information:

<u>**HomeStreet Capital**</u>

2000 Two Union Square
601 Union Street
Seattle, WA 98101

Phone: (206) 389-6303

Website:
www.homestreet.com/about/index.aspx

4.2. Tax Exempt Bonds

Tax-exempt bonds are issued by state and local governments, municipalities and other organizations and governmental units that are qualified by the Internal Revenue Code of 1986. Tax-exempt bond holders are exempt from federal taxation and generally from local taxation if the obligations are issued within the state of residence.

There are two types of bonds that can be used to facilitate affordable housing: affordable multifamily rental housing bonds (a type of private-activity bond) and 501(c)(3) bonds for nonprofit developers. There is a limitation on the total amount of tax-exempt multifamily rental housing bonds. Each state may issue tax-exempt bonds annually at a maximum of $50 per capita or $150 million for smaller states. There is also a cap of $150 million on 501(c)(3) bonds that can be used by not-for-profit developers.

Highlights

- **Tax-exempt bond holders are exempt from federal taxation.**
- **Available for both for-profit and nonprofit developers.**

In Practice

Seattle, Washington. HomeStreet Capital, one of the Northwest's oldest multi-family and commercial real estate lenders, has provided $2.6 million in financing to the Pike Place Market Preservation and Development Authority (PDA) for purchase of the Market House Apartments. HomeStreet purchased tax-exempt bonds issued by the PDA, which used the funds to acquire the property. PDA is a nonprofit, public corporation chartered by the City of Seattle in 1973 to manage 80% of the properties in the nine-acre Market Historical District.

A69

For more information:

Arlington
Housing Division

2100 Clarendon Boulevard
Suite 700
Arlington, VA 22201

Phone: (703) 228-3760

Website:
www.ahcinc.org/template.cfm?page=33

4.3. Federal/State Low-Income Housing Tax Credits (LIHTC)

Created by the Tax Reform Act of 1986, the Low-Income Housing Tax Credits (LIHTC) program has been recently amended to give states the equivalent of nearly $5 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to low-income households. LIHTC is typically used in multi-family housing developments, and the equity created by the sale of tax credits allows a reduction of the property's mortgage. This, in turn, allows the property owner to lower rents, making the property affordable to low-income households.

Some states also have LIHTC which typically work in the same manner as the federal program. In most cases, the LIHTC is used as the primary vehicle for production of new units or the rehabilitation of existing rental housing for low-income families. Without LIHTC, it would be economically impossible in most markets for developers to construct or rehabilitate affordable rental housing.

Highlights

- **Encourages private investors to provide equity for affordable housing development in return for federal tax credits.**
- **Housing credit properties are government properties.**

In Practice

Arlington County, Virginia. The Gates of Ballston is in the heart of Arlington County. Created as affordable housing for the growing federal workforce during the New Deal, its 465 units were purchased by the AHC, Inc., a non-profit housing provider, in 2002 through the help of a County credit facility. In 2004, AHC, Inc. refinanced the property with $14.1 million in LIHTC equity and $16.4 million in federal and state historic tax credit equity in addition to an $8.5 million loan from the County. Renovations will begin in 2005.

A·70

4.4. Federal/State Community Development Block Grants (CDBG)

Federal CDBG funds provide annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing affordable housing. Eligible grantees for federal CDBG funds include principal cities of Metropolitan Statistical Areas, other metropolitan cities with populations of at least 50,000, and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities).

States administer CDBG funds for non-entitlement areas. Non-entitlement areas include general local governments which do not receive CDBG funds directly from HUD as part of the entitlement program. These funds are used to provide housing and economic opportunities for low- and moderate-income persons and to develop and implement comprehensive revitalization plans in low- and moderate-income neighborhoods. Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

In Practice

City of Alexandria, Virginia. The City of Alexandria has a home rehabilitation loan program which enables low- and moderate-income owner-occupants to correct code violations and structural problems and to enhance the value and livability of their attached or detached single-family homes. It is funded with federal CDBG and HOME funds as well as city general funds.

For more information:

City of Alexandria
Office of Housing

301 King Street
Alexandria, VA 22314

Phone: (703) 838-4622

Website:
http://ci.alexandria.va.us/city/housing/programs.html#RL

A 71

For more information:

City of Falls Church Housing and Human Services

300 Park Avenue
Falls Church, VA 22046

Phone: (703) 248-5005

Website:
www.ci.falls-church.va.us/services/hhs/housingservices.html

4.5. HOME

HOME is a federal program and provides formula grants to localities that communities use—often in partnership with local nonprofit groups—to fund activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. HUD establishes HOME Investment Trust Funds for each grantee, providing a line of credit that the jurisdiction may draw upon as needed. The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancement, rental assistance or security deposits.

Highlights

- **HOME's flexibility allows different uses.**
- **Has a credit line that jurisdictions may draw from as needed.**

In Practice

City of Falls Church, Virginia. Using funds ($50,000 per year) from the HOME program, the city provides rental assistance to low-income families, including those at risk of homelessness. Under the Tenant Based Rental Assistance (TBRA) program, income-eligible households receive a rent subsidy for up to 18 months, while also paying a portion of the rent. In addition, TBRA participants receive support services, such as budget counseling and health care referrals. Participants in the program are also encouraged to "graduate" into homeownership through the City's Affordable Dwelling Unit purchase program. The program incorporates an application preference for households with dependent children, city residents, and persons who work in the city.

A-72

4.6. Local Dedicated Revenue Source

Governments commonly use a dedicated revenue source to provide continuous funding for affordable housing initiatives in their communities. Dedicated revenue sources are frequently structured to direct funds into a housing trust fund. Generally, housing trust funds serve populations earning no more than 80% of the area median income.

Highlights

- **A continuous funding source.**
- **Distinct accounts receive dedicated sources of funds.**

In Practice

Fairfax County, Virginia. In April 2005, the Fairfax County Board of Supervisors approved the One Penny for Housing Flexibility Fund. This appropriation, equal to the value of one penny of the real estate tax, created a dedicated fund that will aid in the preservation of at least 1,000 existing affordable housing units by the end of 2007. The fund is also intended to be a critical, ongoing source for affordable housing development and preservation. It is expected that the program will generate approximately $17.9 million in new funds.

The Fund does not replace, but supplements existing federal and state funding resources. Non-profit and for-profit developers receive financing through the Fund to acquire, rehabilitate, replace, or develop affordable housing in Fairfax County. The Fund also provides flexibility to finance a range of affordable housing needs as they change over time within the County.

For more information:

Fairfax County
Redevelopment and Housing Authority

3700 Pender Drive
Fairfax, VA 22030

Phone: (703) 246-5185

Website:
www.e-ffordable.org/documents/One%20Penny%20Final.pdf

A-73

SECTION 5. HOMEOWNER ASSISTANCE PROGRAMS

Owning a home is a dream shared by many families throughout our country. However, the ever increasing cost of housing in the metropolitan Washington region has placed homeownership opportunities out of reach for many local families. Since 2000, the average sales price of a home in our area has increased 72 % from $225,091 to $387,634[1]. For housing to be affordable at this price[2], a family would need an annual household income of approximately $105,316[3].

As a result of these high prices, families are opting to move outside of the metropolitan region to areas where housing prices are lower. The consequences of these moves are far-reaching. Traffic congestion on the region's highways is increasing as more and more workers are forced to make their commutes via car. This, in turn, leads to poorer air quality in our area. Our region's economy is also impacted as families spend their income in localities outside of the area. Less noticeable is the effect the long commutes have on local workers and their families. As more time is spent driving to and from work, local employees have less and less time to spend with their families and friends, decreasing their overall quality of life.

Local officials and community leaders recognize the problems associated with high housing costs and are striving to increase homeownership options in their communities. The following pages offer descriptions of policies and programs implemented by jurisdictions, locally and nationally, to do just that. The homeownership opportunities created with the help of these programs are designed to assist families across a range of incomes. Although many of the programs have been created to serve the needs of a specific area, we hope that they may be adapted to suit your local needs.

This section of the report will highlight and examine the following homeowner assistance programs.

- Home Purchase Assistance
- Employer Assisted Housing/Live Near Your Work
- American Dream Down Payment Initiative (ADDI)
- Mortgage Credit Certificates

---

[1] Data collected from Metropolitan Regional Information System, Inc.

[2] The US Department of Housing and Urban Development defines affordable housing as those units that cost no more than 30 % of gross household income.

[3] This figure is based on the monthly mortgage payment of a home purchased at the average sales price of $387,634 with a 30 year mortgage, a 20 % down payment and 7.5 % interest rate. Monthly mortgage payment was calculated using PNC Bank Online Monthly Payment Calculator.

A·74

For more information:

District of Columbia
Department of Housing and Community Development

801 N Capitol Street, NE
Suite 800
Washington, DC 20002

Phone: (202) 442-7200

Website:
http://dhcd.dc.gov/dhcd/cwp/view.asp?a=1243&q=556237&dhcdNav_GID=&dhcdNav=%7C32177%7C#HPAP

5.1. Home Purchase Assistance

Home Purchase Assistance programs provide interest-free and low-interest loans to qualified low- to moderate-income homebuyers, which may be used for down payment or closing costs. In some programs, the loans are forgivable over a number of years as long as the property remains the applicant's primary residence for a given number of years.

Highlights

- **Provides down payment or closing cost assistance to qualifying homebuyers.**
- **Loans are low-interest or interest-free.**
- **Loans may be forgivable over a number years.**

In Practice

Washington, District of Columbia. The District of Columbia's Home Purchase Assistance Program loans are awarded to a limited number of applicants each year, depending on funds allocated in the department's budget. Loan amounts are determined by a combination of factors, including income, household size, and the amount of assets that an applicant can commit toward the purchase price of a home. In addition, all loan recipients are required to maintain their properties in compliance with D.C. housing codes.

A·75

5.2. Employer Assisted Housing/Live Near Your Work Programs

Employer Assisted Housing (EAH) is an employer provided benefit with the intention of assisting employees become homeowners. EAH programs include grants for down payment assistance, low-interest loans, matched dollar savings plans, credit counseling, homebuyer education, and much more. Public funding can be used to match the funds from employers.

Live Near Your Work Programs promote homeownership and encourage homebuyers to live near their place of employment or along transit lines. They are similar in design to EAH programs and often the two are combined.

Highlights

- **Motivates employees to stay at the place of employment.**
- **Encourages employees to purchase homes in specific neighborhoods.**
- **Reduces commuting costs.**

In Practice

City of Alexandria, Virginia. The City of Alexandria has an Employee Homeownership Incentive Program (EHIP), which provides deferred payment, 0% interest loans of up to $5,000 to public employees who purchase homes in the city. The EHIP has neither income limits or first-time homebuyer requirements common in other homeownership assistance programs. The program does, however, have a housing purchase price limit of 1.33 times the average residential assessment, which in 2005 was $587,600. The EHIP can also be utilized in conjunction with several other homeownership programs offered by the city.

For more information:

City of Alexandria
Office of Housing

301 King Street
Alexandria, VA 22314

Phone: (703) 838-4990

Website:
http://alexandriava.gov/city/housing/programs.html#HA

A-76

5.3. American Dream Downpayment Initiative (ADDI)

This federally funded program was created to assist low-income, first-time homebuyers in purchasing single-family homes by providing funds for down payment, closing costs, and rehabilitation carried out in conjunction with the assisted home purchase.

Highlights

- **Encourages home purchase.**
- **Assists low-income, first-time homebuyers.**

In *Practice*

Arlington County, Virginia. In fiscal year 2005, Arlington County has a $145,800 ADDI grant available. This allocation augmented its current CDBG-funded Moderate Income Purchase Assistance Program (MIPAP) that offers down payment and closing cost assistance to low- and moderate-income, first-time homebuyers. The new program, called MIPAP Plus, was the third trust mortgage, combined with the MIPAP second trust. The total amount a household may receive is $25,000.

For more information:

Arlington County
Department of Community Planning, Housing & Development

#1 Courthouse Plaza
2100 Clarendon Boulevard
Suite 700
Arlington, VA 22201

Phone: (703) 228-3760

Website:
www.arlingtonva.us/departments/CPHD/housing/housing_info/CPHDHousingHousing_infoMIPAP.aspx

A·77

For more information:

City of Austin
Housing Finance Corporation

P.O. Box 1088
Austin, TX 78767

Phone: (512) 974-3100

Website:
www.ci.austin. tx.us/ ahfc/first home-map.htm

5.4. Mortgage Credit Certificates

The Mortgage Credit Certificate Program (MCC) gives homebuyers a "dollar for dollar" tax credit against federal income taxes up to 15% of annual mortgage interest. By effectively reducing monthly mortgage payments, MCCs give homebuyers greater ability to qualify for and support a mortgage loan. Program participants are subject to limits on maximum household income and maximum home purchase price. If the homebuyers' tax liability is lower than their available MCC tax credit, they can carry forward the unused tax credit for three additional years.

Highlights

- **Available every year as long as mortgage payment is made.**
- **Tax reduction is taken into account when applying for a mortgage.**

In Practice

Austin, Texas. The City of Austin and the Austin Housing Finance Corporation are making home ownership easier by offering millions in Mortgage Credit Certificates (tax credits) for eligible first-time homebuyers. These tax savings are equal to 25 % of the annual interest paid on a mortgage loan. In other words, the tax credits can result in as much as $2,000 in annual savings for a family.

The benefits of the Mortgage Credit Certificate program include:

- Qualified homebuyers have up to $2,000 per year as added expendable cash.
- The tax credits are a direct reduction of taxes to be paid.
- A reduction in taxes is taken into consideration when qualifying for a mortgage loan.
- The tax credit is available to you every year as long as you own your home and make a mortgage payment.

A-78

SECTION 6.
RENTAL ASSISTANCE PROGRAMS

Rental housing is an important component of healthy communities. Whether single-family homes or units in multi-family developments, rental housing can provide affordable housing alternatives for many members of our society from the new college graduate just entering the job market to the retiree downsizing from a large, single-family home.

In areas with rapidly growing economies such as the metropolitan Washington region, however, affordable rental homes become scarce. Pressure for housing from a growing workforce pushes rents to levels unaffordable to many of the region's families. According to the National Low Income Housing Coalition's report, *Out of Reach 2004*, a worker must earn $47,480 per year to afford a two-bedroom apartment in the metropolitan Washington region[1]. In 2003, approximately 41 % of the region's workers earned less than this amount[2].

Other factors also affect the supply of affordable rental units in the region. In many areas, property owners are opting to convert their rental units into condominiums. And properties that have retained their affordability status under contracts to receive federal housing subsidies are at risk of becoming market rate units as their contracts expire.

The following is a collection of tools that localities have employed in their efforts to preserve and produce affordable rental housing. Strategies range from the creation of special zoning districts and local housing trust funds to the acquisition of federal housing funds.

This section of the toolkit will highlight the following rental assistance programs:

- Housing Choice Voucher Program (Section 8)
- Local Rental Assistance Programs

[1] Figure is based on the Department of Housing and Urban Development's 2005 two-bedroom Fair Market Rent of $1,187 and represents the amount of income needed to insure monthly rent is no more than 30 % of household income.

[2] Source: Bureau of Labor Statistics 2003 Wage and Employment Estimates.

6.1. Housing Choice Voucher Program (Section 8)

The Housing Choice Voucher Program (HCVP), a federally funded rental assistance program, increases affordable housing choices for very low-income households by allowing families to choose privately-owned rental housing. Created in the 1970s, the Section 8 housing voucher program has grown into the dominant form of federal housing assistance. Low-income families use vouchers to help pay for housing that they find in the private market. The program is federally funded, but vouchers are distributed by a network of 2,600 state, regional, and local housing agencies. Each local housing agency gets federal funding each year based on the estimated cost of its vouchers in use and of its administrative costs. In addition, local agencies have access to certain reserves when costs change unpredictably over the course of the year.

Vouchers are a critical form of rental assistance for low-income families with children, the elderly, and people with disabilities. Once a family receives a voucher, it has at least 60 days to find housing. Due to shortages of affordable housing and some landlords' reluctance to accept vouchers, not every family is able to use its voucher. A family with a voucher is generally required to contribute 30 % of its income for rent and utilities. The voucher then pays the remaining rental costs, up to a limit (called a "payment standard") set by the housing agency.

Highlights

- **Allows families to choose privately owned rental housing.**
- **Allows voucher recipients at least 60 days to find housing.**

In Practice

Orange County, California. In Orange County, the lack of affordable housing is increasingly problematic for low-income residents. The Orange County Housing Authority is responding to the problem through landlord outreach activities that seek to educate them about the Housing Choice Voucher Program. These landlord outreach activities include conferences, a landlord newsletter, and a hotline.

The outreach activities have resulted in additional landlord participation and have been deemed a success in Orange County. Currently, additional owner participation led to an 80% tenant success rate and an overall 100% lease up-rate.

For more information:

Orange County Housing and Community Services

10 Civic Center Plaza
Santa Ana, CA 92701

Phone: (714) 834-5400

Website:
www.ochousing.org/renter.asp

A-80

6.2. Local Rental Assistance Programs

Local rental assistance programs help low-income families pay their rent. The programs generally provide short-term assistance (up to six months) and may be used for emergency housing needs. Local rental assistance programs can help families move to self-sufficiency by providing assistance during critical periods of unemployment.

Highlights

- **Short-term rental assistance.**
- **Helps prevent families from becoming homeless in emergencies.**

In Practice

Frederick County, Maryland. Frederick County has a Rental Allowance Program, often referred to as RAP, which provides rental assistance payments on a short-term (six months) basis to low-income families or individuals who have critical and/or emergency housing needs. The goal of RAP is to assist people to move into self-sufficiency by providing transitional housing for a limited period.

For more information:

Frederick County
Department of Housing and Community Development

520 N Market Street
Frederick, MD 21701

Phone: (301) 694-1061

Website:
www.co.frederick.md.us/Housing/rental_allowance.htm

A·81

SECTION 7:
PROGRAMS FOR SPECIAL NEEDS POPULATIONS

Finding affordable housing can be a challenge for many families; however, it is especially daunting for homeless people and persons with physical or mental disabilities. The following pages present information related to federal and other programs that provide housing and supportive services to special needs populations.

Arlington Assisted Living Residence
Courtesy of : Arlington County Community Planning, Housing, and Development

Programs covered in this section include:

- Housing Opportunities for People with Aids (HOPWA) Program
- Transitional Housing Programs
- Group Home Programs
- Single-Resident Occupancy (SRO) Developments

A·82

7.1. Housing Opportunities for People with AIDS

The Department of Housing and Urban Development (HUD)'s Housing Opportunities for Persons with AIDS (HOPWA) Program provides housing assistance and related supportive services as part of HUD's Consolidated Planning initiative that works in partnership with communities and neighborhoods in managing federal funds appropriated to HIV/AIDS programs. Three-quarters of HOPWA formula funding is awarded to qualified states and metropolitan areas with the highest number of AIDS cases. One quarter of the formula funding is awarded to metropolitan areas that have a higher-than-average per capita incidence of AIDS.

7.2. Transitional Housing

Transitional housing programs provide emergency shelter as well as supportive services to help homeless individuals and families become self-sufficient. Transitional housing programs offer a wide range of services such as job training, child care, educational training and housing search assistance.

In Practice

Prince William County, Virginia. The Prince William County Dawson Beach Transitional Housing Program, named A Bridge to Independence, is administered by the County's Office of Housing and Community Development (OHCD). The two year, transitional housing program assists residents that are ready to move beyond emergency shelter and into a more independent living situation. The program has been able to provide unique services by developing local partnerships with organizations such as the Prince William County School Support Services Division. Through these partnerships and with OHCD services, the program is able to assist transitioning residents by providing ongoing support services, such as home management counseling, financial planning and budgeting services, educational development, and tutoring all aimed at individual and family needs that may complicate the housing transition.

For more information:

U.S. Department of Housing and Urban Development

Website:
www.hud.gov/offices/cpd/aidshousing/programs/index.cfm

Prince William County Office of Housing and Community Development

15941 Donald Curtis Drive
Woodbridge, VA 22191

Phone: (703) 792-7531

Website:
www.pwcgov.org/default.aspx?topic=010065000100000528

A-83

7.3. Group Homes

Group homes provide long-term housing and supportive services for many special needs populations, most generally individuals with mental or physical disabilities. For those who may be able to lead nearly independent lives, groups homes provide an affordable housing alternative to institutional care, while providing a supportive and structured environment.

In Practice

Montgomery County, Maryland. Montgomery County has a Group Home Acquisition Program. This provides funding to purchase properties by nonprofit organizations for use as group homes.

7.4. Single-Resident Occupancy

Another type of affordable housing is single resident occupancy (SRO). An SRO provides a small (140 square feet) private room for one individual, usually for homeless persons. Typically, each room is furnished with a bed, chair, and space for clothing storage. A desk, sink, small refrigerator and/or microwave may also be provided. Bathrooms, living rooms, kitchens, laundry facilities, and meeting rooms are often shared spaces.

Although once a common form of housing, SROs have largely disappeared—casualties of urban renewal. Recognizing the growing need for affordable, basic housing—particularly for single, very low-income individuals—Congress, as part of the McKinney Act, moved to reinvigorate the provision of SROs as one viable alternative to homelessness.

In Practice

Oakland, California. Oakland has lost a substantial number of SRO units in recent years due to both public and private redevelopment projects. The city's concern over further demolitions and conversions led to a strategy to preserve and upgrade the remaining 2,003 rooms in 25 hotels. The city adopted a Residential Hotel Rehabilitation Loan Program which provides owners of such properties with low-interest loans to correct code violations and enhance hotel livability. The maximum loan amount is $15,000 per unit. Some of the rooms must be kept affordable and occupied by low-income persons for fifteen years.

For more information:

Montgomery County
Department of Housing and Community Affairs

100 Maryland Avenue
4th Floor
Rockville, MD 20850

Phone: (240) 777-3600

Website:
www.montgomerycountymd.gov/dhctmpl.asp?url=/Content/DHCA/community/fed_prog.asp#group

City of Oakland
Community and Economic Development Agency, Housing and Community Development Division

250 Frank Ogawa Plaza
Suite 5313
Oakland, CA 94612

Phone: (510) 238-3501

Website:
www.oaklandnet. com/government/hcd/policy/reports.html#sro

A84

SECTION 8: EDUCATION/ADVOCACY

While low-cost housing is a necessity for many Americans, a social stigma is attached to such development. The negative reaction by individuals or organizations to unpopular proposals in their community is known as the "Not in My Backyard" (NIMBY) syndrome. Many communities associate affordable housing with reduced property values, increased crime, and loss of community character, which can influence how localities implement their affordable housing policies and programs. Public education programs and advocacy groups can spread information about the positive effects of affordable housing on local communities helping to dispel myths and garner support for such projects.

Grassroots Awareness

Grassroots awareness programs strive to change public perception of affordable housing at the neighborhood level. Resources are focused on educating the community about the benefits of affordable housing while combating the negative perceptions often held by local residents. The most effective campaigns frame the issue of affordable housing around the fact that housing is unaffordable for people with jobs in the service, hospitality and healthcare fields rather than focusing on the needs of the very poor. They also provide evidence of how affordable housing developments can enhance local communities, such as the potential for new economic development as businesses are attracted to the growing neighborhoods.

Public Service Announcements

Public service announcements, such as radio and television advertisements, are an effective way of reaching a wider audience than many grassroots advocacy organizations may be capable of. They also provide the opportunity for partnering with nontraditional allies who are highly regarded in the community, such as elected officials and business leaders, who may not otherwise work together. Combined with other materials, such as information pamphlets and flyers, public service announcements spread the message that affordable housing affects quality of life for everyone in a community.

For more information:

The Campaign for Affordable Housing

1000 Corporate Pointe
Suite 200
Los Angeles, CA 90230

Phone: (310) 642-2062

Website:
www.tcah.org

A-85

APPENDIX

A·86

Summary of Local Affordable Housing Programs Described in Toolkit
Metropolitan Washington Council of Governments Member Jurisdictions
2005

Program Type	District of Columbia	Virginia								
		City of Alexandria	Arlington County	Fairfax County	City of Fairfax	City of Falls Church	Loudoun County	Prince William County	City of Manassas	City of Manassas Park
Affordable Housing Development										
Inclusionary Housing (zoning)										
Minimum Lot Sizes & Set-Backs					✓					
Affordable Housing Districts										
Infill Housing Development		✓			✓					
Expedited Permitting										
Affordable Dwelling Units (ADUs) or Moderately Priced Dwelling Units (MPDUs) Ordinance			✓ (ADU)	✓ (ADU)		✓ (ADU)	✓ (ADU)			
Density Bonuses		✓	✓							
Fee Waivers					✓					
Affordable Housing Preservation										
Fee Waivers										
Housing Rehabilitation Programs	✓	✓	✓	✓	✓					
Multi-Family Improvement Programs	✓	✓	✓					✓		
Expiring Use of Federal Subsidies	✓	✓	✓	✓	S		✓	✓		
Affordable Building Design										
Great House Concept				✓	S					
Adaptive Reuse			✓							
Green Building			✓							
Financial Tools										
Housing Trust Funds	✓	✓	✓	✓		✓				
Tax Exempt Bonds	✓	✓	✓	✓		✓	✓	✓		
Low Income Housing Tax Credits (Federal & State)	✓	✓	✓	✓	S	✓	✓	✓	✓	
Community Development Block Grants (Federal & State)	✓	✓	✓	✓	S	✓	✓	✓	S	
HOME	✓	✓	✓	✓	S	✓	✓	✓	S	
Local Dedicated Revenue Source	✓	✓	✓	✓						

A87

Summary of Local Affordable Housing Programs Described in Toolkit
Metropolitan Washington Council of Governments Member Jurisdictions
2005

Program Type	District of Columbia	Virginia								
		City of Alexandria	Arlington County	Fairfax County	City of Fairfax	City of Falls Church	Loudoun County	Prince William County	City of Manassas	City of Manassas Park
Homeowner Assistance Programs										
Home Purchase Assistance	✓	✓	✓	✓		✓	✓	✓	S	
Employer Assisted Housing/Live Near Your Work	✓	✓	✓	✓	✓					
American Dream Downpayment Initiative	✓	✓	✓	✓	✓	✓	✓	✓		
Mortgage Credit Certificates*										
Rental Assistance Programs										
Housing Choice Voucher Program (Section 8)	✓	✓	✓	✓	S	✓	✓	✓	✓	
Local Rental Assistance Program			✓	✓		✓			S	
Programs for Special Needs Populations										
Housing Opportunity for People with AIDS	✓	✓	✓	✓	S		✓	✓		
Transitional Housing	✓	✓	✓	✓	S		✓	✓		
Group Homes	✓	✓	✓	✓	S		✓	✓		
Single Resident Occupancy				✓						

✓ -Indicates the Jurisdiction maintains and manages the specific affordable housing program

S -Indicates the city shares, in some capacity, resources or contributes to the management of the specific program with the city's respective county government

Note: The information presented in the matrix may not represent all of the affordable housing programs maintained by jurisdictions in the metropolitan Washington region. The information in the matrix was compiled by city and county planning or housing departments submitting information related to the housing programs they maintain.

Summary of Local Affordable Housing Programs Described in Toolkit
Metropolitan Washington Council of Governments Member Jurisdictions
2005

Program Type	Maryland								
	City of Bowie	City of College Park	Frederick County	City of Gaithersburg	City of Greenbelt	Montgomery County	Prince George's County	City of Rockville	City of Takoma Park
Affordable Housing Development									
Inclusionary Housing (Zoning)	**S**		✓ (MPDU)			✓ (MPDU)		✓ (MPDU)	
Minimum Lot Sizes & Set-Backs	**S**								
Affordable Housing Districts									
Infill Housing Development	**S**								
Expedited Permitting	**S**					✓			
Affordable Dwelling Units (ADUs) or Moderately Priced Dwelling Units (MPDUs) Ordinance	**S**		✓ (MPDU)			✓ (MPDU)		✓ (MPDU)	
Density Bonuses			✓						
Fee Waivers			✓			✓	✓		
Affordable Housing Preservation									
Fee Waivers			✓			✓	✓		
Housing Rehabilitation Programs	**S**		✓			✓	✓	✓	
Multi-Family Improvement Programs	**S**					✓			
Expiring Use of Federal Subsidies			✓			✓	✓		
Affordable Building Design									
Great House Concept									
Adaptive Reuse									
Green Building									
Financial Tools									
Housing Trust Funds			✓			✓			
Tax Exempt Bonds			✓			✓	✓		
Low Income Housing Tax Credits (Federal & State)			✓			✓	✓		✓
Community Development Block Grants (Federal & State)	✓		✓	✓	✓	✓	✓		
HOME			✓		✓	✓	✓		
Local Dedicated Revenue Source						✓			

Summary of Local Affordable Housing Programs Described in Toolkit
Metropolitan Washington Council of Governments Member Jurisdictions
2005

Program Type	**Maryland**								
	City of Bowie	**City of College Park**	**Frederick County**	**City of Gaithersburg**	**City of Greenbelt**	**Montgom-ery County**	**Prince George's County**	**City of Rockville**	**City of Takoma Park**
Homeowner Assistance Programs									
Home Purchase Assistance		✓	✓		✓	✓	✓		✓
Employer Assisted Housing/Live Near Your Work	✓					✓			
American Dream Downpayment Initiative	✓		✓			✓	✓		
Mortgage Credit Certificates									
Rental Assistance Programs									
Housing Choice Voucher Program (Section 8)			✓			✓	✓		
Local Rental Assistance Program						✓			✓
Programs for Special Needs Populations									
Housing Opportunity for People with AIDS			✓	✓		✓	✓		
Transitional Housing	✓		✓			✓	✓		
Group Homes	✓		✓			✓	✓		
Single Resident Occupancy						✓			

✓ -Indicates the Jurisdiction maintains and manages the specific affordable housing program

S -Indicates the city shares, in some capacity, resources or contributes to the management of the specific program with the city's respective county government

Note: The information presented in the matrix may not represent all of the affordable housing programs maintained by jurisdictions in the metropolitan Washington region. The information in the matrix was compiled by city and county planning or housing departments submitting information related to the housing programs they maintain.

A.90

Support for the development of the
Toolkit for Affordable Housing Development
was provided by:

Enterprise Foundation

Fannie Mae Foundation

**Metropolitan Washington
Council of Governments**

Meyer Foundation

**Morris and Gwendolyn
Cafritz Foundation**

Prince Charitable Trusts

SunTrust Bank

Developed in 2005 by:
Washington Area Housing Partnership
777 North Capitol Street, NE • Suite 300 • Washington, D.C. 20002
Tel: 202-962-3346
www.wahpdc.org

A.91

This page intentionally left blank.

5/14/07
PC Public Input

LARC

T(Arc of Loudoun

P.O. Box 243 * Leesburg, VA 20178-0243
Voice: (703) 777-1939 • Fax: (703) 779-2708 • larclady@aol.com • www.loudoun-arc.org

May 14, 2007

TO: Loudoun County Planning Commission

FROM: Clarice Dieter, Advocacy Coordinator
The Arc of Loudoun (Larc)

SUBJECT: CPAM 2007-0001, Housing Policies, Attachment 1
Countywide Housing Policies

Thank you for this opportunity to comment on the proposed amendments to current Housing Policies. The Arc of Loudoun is the Loudoun County chapter of The Arc of the U.S. and a member of the Loudoun Human Services Network. We work with children, adults and families with disabilities. Most of our adults and single parents with disabilities are very low income, some trying to live on only Supplemental Security Income at $7,476 a year. This works out to $623/month and clearly not enough to rent an apartment in Loudoun County without a Section 8 Housing Choice Voucher or other type of rental subsidy.

As a result we are seeing an increase in homeless adults with disabilities and single parents with disabilities and their children. The cost of rental housing in Loudoun County is too high for them to afford. They need a stable a roof over their heads. Self-sufficiency is not obtainable without some housing rental assistance. The Self-Sufficiency Standard for Lynchburg, Virginia, for example, is an hourly wage of $7.41 per hour, with a housing cost for one adult at $464/month. By contrast, in Loudoun, The Self-Sufficiency Standard for Loudoun County for one adult is a wage of $14.46/hour with a housing cost of $1,247. (Source: Table 73 and Table 76, Self-Sufficiency Standard Tables and Information from 'Voices for Virginia's Children' Website).

Attachment A includes important numbers that impact so many vulnerable populations in our County. We hope the Loudoun, Virginia and national figures in the Attachment may help you in your planning and policy deliberations.

I'd like to share with you some of the situations these adults and parents with disabilities face. A single working Dad with a disability, with two teenage daughters became homeless when he lost his job. He is a very hard worker, and through the help of the Dept. of Rehabilitative Services, was able to find another job at $14.00 an hour. He pays over $900 in rent for a two bedroom apartment in an income limited complex. He makes less than 166% of poverty for a family of 3 which makes him medically needy. However, he is ineligible for Medicaid for himself because the income cutoff is 80% of poverty level in Virginia. He's barely making ends meet for himself and his children. According to the Self-Sufficiency index he would need an income of $18.74/hour to be self-sufficient.

Other homeless adults with disabilities we've worked with continue to be homeless because they do not have a Section 8 Housing Choice Voucher and their monthly income with SSI is just too low. We expect the number of homeless individuals with disabilities to increase unless housing policies change to focus particularly on the 0% to 30% of median income residents here.

The working poor and the elderly are also vulnerable groups in this County. Twenty-five percent of our Loudoun elderly live at 30% of Median and below. Forty percent elderly (age 65 and over) in Virginia have disabilities.

We hope that in this opportunity to revise Housing Policies you will consider a **dedicated funding stream for the very low income residents that will include rental subsidies**. The Section 8 Waiting List will close July 1. There are hundreds of people on the list and most will have many years to wait.

Thank you for considering all these needs as you work on Housing Policy Amendments.

ATTACHMENT A (Page One)

RE: Public Input to Loudoun County Planning Commission
May 14, 2007

IMPORTANT NUMBERS:

FEDERAL POVERTY THRESHOLDS:

Family Size:	1	$10,488	65+	$9,669 (No related children under 18)
	2	$13,500	65+	$12,186 (No related children under 18)
	3	$16,242	(Two related children under 18)	
	4	$20,444	(Three related children under 18)	

(Source: Poverty Thresholds 2006 by Size of Family and Number of Related Children Under 18 years, U.S. Census Bureau, Housing and Household Economic Statistics Division)

THE ELDERLY:

LOUDOUN CO. ELDERLY AT 30% OF MEDIAN ($29,545) AND BELOW:
25% OF ELDERLY HOUSEHOLDS – 3,477 for 2007 population
LOUDOUN CO. ELDERLY AT POVERTY LEVEL:
2.3% OF ELDERLY HOUSEHOLDS – ABOUT 320 HOUSEHOLDS (2007)
(Percentages are 2005 data from County demographer, Jill Allman, and U.S. Census Bureau, *2005 American Community Survey.* Numbers are extrapolated for 2007 County population. Median 2005 figure used is $98,483)
NATIONALLY, about **10.4% of elderly persons "were below the poverty level in 2002."**
(Source: Administration on Aging website info. From U.S. Bureau of the Census)
20% of the elderly are renters (Source: Admin. On Aging website – "American Housing Survey for the United States in 2001, Current Housing Reports"H150/01)
DISABILITY RATE: In VIRGINIA, 40% OF PEOPLE 65 YEARS AND OVER HAVE A DISABILITY (Source: U.S. Census Bureau, American Factfinder. 2005 American Community Survey)

ATTACHMENT A (Page Two)

PEOPLE WITH DISABILITIES (ALL AGES):

SUPPLEMENTAL SECURITY INCOME RECIPIENTS RECEIVE $623/MONTH = $7,476/YEAR OR 8% OF MEDIAN

VIRGINIA RESIDENTS WITH DISABILITIES LIVING IN THE COMMUNITY:
Ages 5 to 20 Years Old – 6.5% of Population
Ages 21 to 64 Years Old – 11.5% of Population
65 Years and Older – 40.0% of Population
(Source U.S. Census Bureau, American FactFinder, 2005 American Community Survey)

NATIONAL POVERTY STATUS AND FAMILY INCOME FOR PEOPLE WITH DISABILITIES:

POVERTY LEVEL	**24.8% - 26%**
NEAR POVERTY (125% OF POVERTY)	**17.5%**
FAMILY INCOME LESS THAN $20,000	**23.5%**

(Source: "Summary of Health Statistics for the U.S. Population: National Health Interview Survey, 2005", U.S. Dept. of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Series 10, No. 233, January 2007, Also: CB06-10, May 24, 2006, Facts for Features, U.S. Census Bureau)

WORKING POOR:

NATIONAL POVERTY RATE AMONG WORKING FAMILIES IN 2003: 6.6%

(Source: U.S. Dept. of Labor, U.S. Bureau of Labor Statistics, March 2005)

The Arc of Loudoun

5/14/07
PC Public Input

LOUDOUN COUNTY
CONTINUUM OF CARE

In Care of:
Beth Rosenberg
Loudoun County
Department of Family Services
102 Heritage Way, NE
Suite 103
Leesburg, Virginia 20176

May 9, 2007

Loudoun County Planning Commission
c/o The Department of Planning
1 Harrison Street, S.E.
3rd Floor, MSC #62
P.O. Box 7000
Leesburg, Virginia 20177-7000

ATTN: Cynthia Keegan

Dear Loudoun County Planning Commission Members,

On behalf of the Loudoun County Continuum of Care (CoC), we want to express our appreciation for the work you are doing to broaden and update the Countywide Housing Policies. We recognize that it is critical to have a wide array of housing options available to meet the needs of persons at all income levels. The proposed policies, as developed by the Loudoun HAB, contain a number of positive recommendations.

The Loudoun CoC has a diverse membership from local non-profit, public, private, and faith-based organizations. Our work focuses on meeting the needs of those that are homeless, and also on the prevention of homelessness in Loudoun County. In our experience, persons who become homeless or who are at risk of homelessness, typically have incomes that fall within 0% to 30% of the Washington Area Median Income. These low-income households often include persons with disabilities, senior citizens, and households headed by a single working parent.

At the May 7, 2007 Planning Commission Meeting, it was reported that as of 2005 there is a deficit of 3,892 units of housing that would be affordable to households with incomes from 0% to 30% of the AMI. At the May 7 meeting a total of 4,788 Loudoun households were identified in the 0% to 30% income range. From these figures, it can be concluded that over 75% of households at this lower income level have no affordable housing options available to them in Loudoun County. Lack of affordable housing to meet the needs of low income households is a serious concern to the Loudoun CoC membership. Failure to address a need as basic as affordable housing impacts the well-being and security of vulnerable persons including the disabled, families and children, and senior citizens.

The Proposed Changes to Housing Policies focus primarily on the need for workforce housing. The needs of the low-income, senior citizens, disabled, and the working poor are briefly mentioned, but little attention is given to increasing housing opportunities for these vulnerable citizens. The ADU program created in 1993, and serving persons with incomes between 30% and 70% AMI, has been the only "new" County effort to create affordable housing in the past 14 years. The ADU program makes an important contribution to the provision of affordable housing for some households, but the needs of persons with incomes below 30% AMI are overlooked by the program.

The members of the Loudoun Continuum of Care would like to share with the Planning Commission some information about homelessness in the County, based on our annual count of homeless persons. This count is conducted annually on a particular day in the month of January.

- Homelessness in Loudoun County has increased 127% between 2005 to 2007
- The 2007 Homeless Count identified 211 homeless persons in Loudoun County. 81 of those counted were single individuals, while 130 were adults and children in families.
- 52 individuals where identified as being chronically homeless in the 2007 count.
- 39 of the homeless persons identified in 2007 have chronic health problems.
- 17 of the homeless persons identified in 2007 have physical disabilities.

The proposed housing policy acknowledges that subsidies may be required to serve low-income persons, but no strategy is provided to ensure that this option is developed. The Federally funded Housing Choice Voucher Program in Loudoun currently serves 682 low income households. Approximately 900 low income households are on a waiting list for the program. The County decided to close the waiting list effective July 1, 2007 as it is inefficient to maintain a growing waiting list for a program that has a fixed funding level, and cannot serve more households. The fact that 900 households are on a wait list for a program that makes rental housing affordable, provides real evidence of the need for additional subsidized housing in Loudoun.

The Loudoun CoC recommends that, as the County updates the Countywide Housing Policies, adequate attention be directed toward the housing needs of persons with incomes from 0% to 30% AMI. The CoC offers the following suggestions for consideration:

- Create a locally funded rental subsidy program for households on fixed incomes.
- Make housing trust funds available to be used in conjunction with Federal, State, and private grant funds for the development of housing programs to serve low-income and disabled individuals.
- Fund additional research to collect better data on the housing needs of low-income Loudoun residents as well as to explore innovative options for accessible and inclusive housing communities.
- Dedicate an annual percentage of the Housing Trust Fund to be used specifically to address affordable housing needs for persons with incomes that fall at 0%-30% AMI.

In conclusion the Loudoun CoC supports the County's efforts to improve its policies related to the provision of housing options for all citizens. It is our hope that the Planning Commission and the Board of Supervisors will pay particular attention to the development of affordable housing options for our most vulnerable citizens, the elderly, the disabled and low income families and individuals. Failure to do so would be tragic in light of the increase in homelessness that has been observed in a community as affluent as is Loudoun County.

Sincerely,

Beth Rosenberg
Public Sector Co-Chair

Clarice Dieter
Non-Profit Sector Co-Chair

Attachment: Loudoun County Continuum of Care, List of Member Organizations

Loudoun Continuum of Care
Member Organizations

American Red Cross
Bank of America
Blue Ridge Area Food Bank Network, Lord Fairfax Branch
Christ the Redeemer Catholic Church
Church of Jesus Christ of Latter-day Saints, Ashburn Virginia Stake
Commonwealth of Virginia, Adult Probation and Parole, District 25
Dulles Commercial Real Estate
Friends of Loudoun Mental Health
Good Shepherd Alliance
Home Aid of Northern Virginia
Leesburg Community Church
Loudoun Aftercare Program
Loudoun Area Agency on Aging
Loudoun Association of Retarded Citizens (LARC)
Loudoun Cares
Loudoun Citizens for Social Justice (LAWS)
Loudoun County Community Corrections
Loudoun County Health Department
Loudoun County Mental Health
Loudoun County Public Schools
Loudoun County Sheriff's Office
Loudoun Department of Family Services
Loudoun Field Center at Glaydin
Loudoun Habitat for Humanity
Loudoun Interfaith Relief
Miles LeHane Group
Northern Virginia Family Service
NOVACO
Saint James Episcopal Church
Salvation Army of Loudoun County
Volunteers of America, Chesapeake

CPAM 2007-0001 Countywide Housing Policies
June 4, 2007 Planning Commission Worksession

Attachment 3 is copyrighted material and is not available electronically.

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
Introductory Text In July 2005, the Board of Supervisors appointed a twelve member Housing Advisory Board to study the supply and demand for affordable housing and recommend housing policies and programs to address the County's needs. The Housing Advisory Board commissioned the AECOM[2] study that compared the County's housing supply with existing and projected job growth to determine whether there are workers in the County who live elsewhere because there is a shortage of affordable housing. The study's principal conclusion, drawn from a comparison of thirty-one peer counties with similar populations, relatively high earnings, and suburban characteristics, determined that there is a shortage of both rental and for-sale units available for Loudoun's workers. This shortage results in a disproportionate number of workers in four major sectors of the County's economy, (retail, local government including teachers, police and firefighters, warehouse and transportation including Dulles Airport) who represent approximately 44% of the workforce, commuting into Loudoun for employment. The study shows that the average annual salary for workers in these industries in 2005 does not provide adequate income to support the average price of a new or existing housing unit, which is $568,959. The study estimates that in 2003, an additional 12,578 housing units were required to house these selected in-commuting workers in the industries in which a disproportionately large amount of in-commuting occurred. That figure is projected to increase to 29,836 units by 2030, for these workers. As Loudoun County's population grows, additional workers are needed in most of the affected industries, exacerbating the housing affordability problem. The study also shows that approximately 50% of Loudoun's residents commute to relatively	**This type of background discussion is not typically included as narrative in the Revised General Plan. Staff suggests this information be included in the public file as background research/study material on the Plan amendment and deleted from the proposed policies.**	

[1] Includes comments from the following County agencies/departments: Area Agency on Aging; County Administration; Economic Development; Family Services; Financial Mgt.; Planning; and Zoning.
[2] Basic Housing and Employment Data and Projections; AECOM Consult; June 2006.

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
high paying jobs outside the County, in the federal government, educational and health services, and information industries. The higher priced housing being produced in the County may be more affordable to out-commuting workers. The AECOM study identifies a shortage in rental housing options that is expected to worsen over time for households up to 60% of the Washington Metropolitan Statistical Area Median Income (AMI). The AMI is $89,300 for 2005. Over time, the rental housing shortage is expected to worsen for households at incomes from 10% to 50% AMI with the most severe shortage in 2030 for households at 50% AMI. Likewise, the study shows that there is a shortage of affordable homeownership opportunities for households from 50% to 100% AMI that will worsen over time, especially for incomes at 80% AMI. The study showed that a majority of Loudoun County households earns more than 125% AMI. However, to maintain a healthy, vigorous economy, Loudoun's business community needs an adequate workforce which has a variety of housing options for workers of all industries and all income levels.		
~~**Housing Policies**~~ **Guiding Principles Policies**		
1. The County seeks to promote housing options for all people who work in Loudoun.	1. The County seeks to promote housing options for all people who **live and** work in Loudoun.	
2. County policies and programs will focus on the unmet housing needs of households earning up to 100% of the Washington Metropolitan Area Median Income (AMI) as that is the area of greatest need.	**Staff agrees with the suggested policy.**	

A-138

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
3. The County will estimate unmet housing needs and housing programs will be evaluated for their effectiveness in addressing those needs.	3. The County will **regularly examine and** estimate unmet housing needs and housing programs will be evaluated for their effectiveness in addressing those needs.	
4. Housing that is developed to fulfill unmet housing needs should be located near existing or planned employment centers, community centers, transit routes, and amenities.	4. Housing that is developed to fulfill unmet housing needs should be located near existing or planned employment ~~centers,~~, community centers, transit routes, and amenities.	
5. The County is committed to bring all existing substandard affordable housing up to current health and safety standards.	**Staff agrees with the suggested policy.**	
2.6. The County encourages a variety of housing types and innovative designs to be developed in mixed-use communities to assist in ~~achieving affordable housing goals.~~ fulfilling unmet housing needs.	2.6. The County encourages a variety of housing types and innovative designs to be developed ~~in mixed-use communities~~ to assist in ~~achieving affordable housing goals.~~ fulfilling unmet housing needs **throughout the County.**	
3.7. The County will require a mix of housing options appropriately located in communities to support a balanced development program.	**No suggested change.**	
~~6. The maintenance, conservation, redevelopment and improvement of existing residential development will be preferable development tools vs. new development on formerly~~	**The deleted policy is not clear and staff agrees it should be deleted. However, staff is concerned that none of the recommended policies speak to the issue of conversion of commercial land for residential uses. The Commission may wish**	

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
~~non-residential land.~~	**to consider a policy that does not support conversion of commercial land for residential purposes.**	
~~11. The County will seek state enabling legislation to eliminate the exemption from the ADU Ordinance of buildings with elevators that are four stories or higher.~~	**This policy has been combined and addressed in the Legislation Policies. Staff agrees with the deletion.**	
~~19. The County endorses the formation and operation of a not-for-profit housing corporation to deliver affordable housing units that meet the Board of Supervisors' definition of affordable for sale and for rent units and provide for the housing needs of special populations.~~	**This policy has been combined and addressed in the Legislation Policies. Staff agrees with the deletion**	
20.8. The County will encourage the ~~formation of public and private partnerships to~~ development of housing for special needs populations ~~that are~~ integrated within existing and planned residential communities, particularly in areas within walking distance of convenience shopping and employment opportunities.	20.8. The County will encourage the ~~formation of public and private partnerships to~~ development of housing for special needs populations ~~that are~~ integrated within existing and planned residential communities, particularly in areas within walking distance of convenience shopping and employment opportunities**, transit, and amenities**.	
22.9. The County will promote ~~the formation of public and private partnerships for~~ the provision of an affordable range of housing types throughout the County. ~~to address the needs of lower income families by facilitating the private provision of this housing in the County's regulations and by assisting in the utilization of state and federal programs.~~	**This policy is repetitive with Guiding Principles Policy #1 above. Staff recommends deletion of this policy.** ~~**22.9. The County will promote the formation of public and private partnerships for the provision of an affordable range of housing types throughout the County, to address the needs of lower income families by facilitating the private provision of this housing in the County's regulations and by assisting in the utilization of state and federal programs.**~~	

A-140

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
23.10. The County will promote the formation of public and private partnerships ~~for the provision of an affordable range of housing types throughout the County to address the needs of lower income families by~~ and facilitat~~eing the private provision of this housing in the County's regulations and by assisting in~~ the utilization of state and federal programs.	23.10. The County will promote the formation of public and private partnerships ~~for the provision of an affordable range of housing types throughout the County to address the needs of lower income families by~~ and facilitat~~eing the private provision of this housing in the County's regulations and by assisting in~~ the utilization of state and federal **housing** programs.	
11. The County supports the development of housing and of communities that apply universal design principles; defined as the simple design of both products and the built environment to be usable by people of all ages and abilities at little or no extra cost.	**The proposed policy is consistent with and supplements the Retirement Housing policies of the Revised General Plan. Staff agrees with the proposed policy.**	
12. The County encourages development that utilizes energy efficient design and construction principles, promotes high performance and sustainable buildings, and minimizes construction waste and other negative environmental impacts.	**Staff agrees with the proposed policy.**	
Housing Supply Policies		
4.1. The County will identify options for addressing ~~affordable housing development~~ unmet housing needs in the Transition Policy Area not covered by the ADU zoning ordinance and work toward an implementation plan.	4.1. The County will identify options for addressing ~~affordable housing development~~ unmet housing needs ~~**in the Transition Policy Area**~~ not covered by the ADU zoning ordinance and work toward an implementation plan.	
7.2. The County will encourage preservation by adaptive re-use of existing rural farm structures, such as barns, for the	**No suggested change.**	

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
development of affordable dwelling units, as defined in the Zoning Ordinance and in accordance with the policies in the *Revised General Plan.*		
Cooperation Policies		
1. The County will initiate a regional cooperative effort with neighboring jurisdictions to establish a dialogue and programs to address the provision of a healthy balance of jobs and housing in each jurisdiction.	**No suggested change.**	
5.2. The County will provide technical planning expertise and financial support to the Towns to assist them in establishing redevelopment and revitalization programs that provide affordable housing. Such programs might include a revitalization tax program, housing rehabilitation, the development of regulations that allow for a broad range of housing types and upper story residential uses over stores, etc.	**No suggested change.**	
15.3. The County will work in partnership with nonprofit and ~~not~~-for-profit agencies committed to the provision of a wide range of affordable housing opportunities by offering technical and financial assistance.	15.3. The County will work in partnership with nonprofit, **public and private sector** ~~**and not-for-profit**~~ agencies committed to the provision of a wide range of ~~**affordable**~~ housing opportunities by offering technical and financial assistance.	

A-142

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
Funding Policies		
13.1. Developers of residential and mixed-use projects are encouraged to include ~~affordable housing~~ proffers to fulfill unmet housing needs in their development proposals.	13.1. Developers of residential and mixed-use projects are encouraged to include ~~affordable housing~~ **~~proffers~~ funding commitments** to fulfill unmet housing needs in their development proposals.	
14.2. The County will establish a housing trust fund ~~to provide a stable, broad-based funding source for affordable housing initiatives. The housing trust fund can be used to leverage federal, state, and other funding sources, provide down payments for first time home-buyers, to purchase land for the development of affordable housing, for construction gap financing, and rental assistance, etc.~~ through a dedicated revenue source such as a portion of the County property tax or the recordation tax, to address unmet housing needs. The fund will be evaluated annually to determine its effectiveness and efficiency.	14.2. The County will establish **~~a housing trust fund~~** ~~to provide a stable, broad-based funding source for affordable housing initiatives. The housing trust fund can be used to leverage federal, state, and other funding sources, provide down payments for first time home-buyers, to purchase land for the development of affordable housing, for construction gap financing, and rental assistance, etc.~~ **~~through~~** a dedicated revenue source such as a portion of the County property tax or the recordation tax, to address unmet housing needs. The fund will be evaluated annually to determine its effectiveness and efficiency.	
Programs and Incentives Policies		
1. The County will encourage the creation of programs, tools and incentives both publicly and privately developed that will fulfill unmet housing needs.	**Staff agrees with the proposed policy.**	
12.2. The County will provide special incentives to stimulate	12.2. The County will provide **~~special~~** incentives to stimulate the development of new	

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
the development of new housing projects when the applicant demonstrates the capacity to ~~e~~affect economic efficiencies in producing and sustaining affordable rents ~~and~~ or sale prices over time ~~that meet the County's adopted definition of affordable~~.	housing projects when the applicant demonstrates the capacity to ~~e~~affect economic efficiencies in producing and sustaining affordable rents ~~and~~ or sale prices over time ~~that meet the County's adopted definition of affordable~~.	
17.3. The County will adopt or develop and implement an employer-assisted housing program to help meet workers' housing needs.	**Staff agrees with the proposed policy.**	
18.4. The County will develop and implement a revitalization tax program for housing rehabilitation to conserve existing affordable housing.	**No suggested change.**	
5. The County will consider establishing incentives, such as density bonuses or transfers; expedited application review; reductions or waiver of permit, development, and infrastructure fees or capital facilities contributions; tax abatements; and zoning modifications to meet annual housing goals and objectives.	5. The County will consider **a process for** establishing incentives, ~~such as~~ **which might include** density bonuses ~~or transfers~~; expedited application review; reductions or waiver of permit, development, and infrastructure fees or capital facilities contributions; tax abatements; and zoning modifications to meet annual housing goals and objectives.	
6. The County will develop and maintain an inventory of publicly owned land that could be suitable for residential use	6. The County will **consider** ~~develop and maintain an inventory of~~ publicly owned land that could be suitable for residential use and development to	

A-144

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
and development to address unmet housing needs. Priority on the use of this land should be given to special needs housing and households at less than 70% of area median income.	address unmet housing needs. **Separate out as new policy:** **In using public land, the housing priority** ~~**Priority on the use of this land**~~ should be given to special needs housing and households at less than 70% of area median income.	
7. The County promotes the recognition of good design and innovation in affordable housing by the Design Cabinet, County programs, and other channels.	**Staff agrees with the proposed policy.**	
Legislation Policies		
~~8.~~1. The County requires that for land development applications proposing development of 50 or more dwelling units with a density greater than one dwelling unit per acre, located in an approved sewer service area, a percentage of the total number of dwellings will be developed as affordable units and given an appropriate density increase. ~~The County will determine an average annual affordable housing production level by evaluating the affordable home ownership and rental needs of the projected population as relates to the County's fiscal capability to provide public services to new residential development.~~	**Staff agrees with the proposed policy.**	
9.2. The County will seek state enabling legislation to allow for the provision ~~require the development~~ of affordable dwelling	9.2. The County will seek ~~**state enabling legislation**~~ to allow for the provision ~~require the development~~ of affordable dwelling units ~~as part of~~ in ~~**developments less than 50**~~	

A-145

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
units ~~as part of~~ in developments less than 50 units~~.~~ as well as buildings four stories or greater with elevators.	~~units.~~ ~~as well as~~ buildings four stories or greater with elevators.	
10.3. The County will strengthen ADU Program regulations to do as much as the state code allows to require the development of affordable housing that is interspersed within neighborhoods, communities and throughout the County as a part of new development.	**No suggested change.**	
16.4. The County will establish a Housing Authority as provided for by the State Code to develop new affordable housing, rehabilitate housing, and revitalize community infrastructure. Until such time as a Housing Authority is established, the County encourages the Industrial Development Authority to exercise its authority to assist with tax exempt bond financing, leverage gap financing and stimulate cooperative partnerships toward the preservation and production of housing to address unmet needs.	**Staff is available to discuss Va. State Code requirements/powers of a Housing Authority at the June 4, 2007 Worksession.**	
21.5. The County will amend the Zoning Ordinance to expand the number of districts where manufactured housing, accessory units, and other alternative housing types are allowed.	**No suggested change.**	

DRAFT POLICIES	COUNTY STAFF COMMENT[1] (Green text)	Planning Commission Notes/Agreement
	GLOSSARY **Staff recommends a definition for unmet housing needs be added to the Glossary of the Revised General Plan in conjunction with the proposed housing policies. Proposed definition:** **Unmet Housing Needs: households earning up to 100% of the Washington Metropolitan Area Median Income (AMI).**	

A-147